

Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

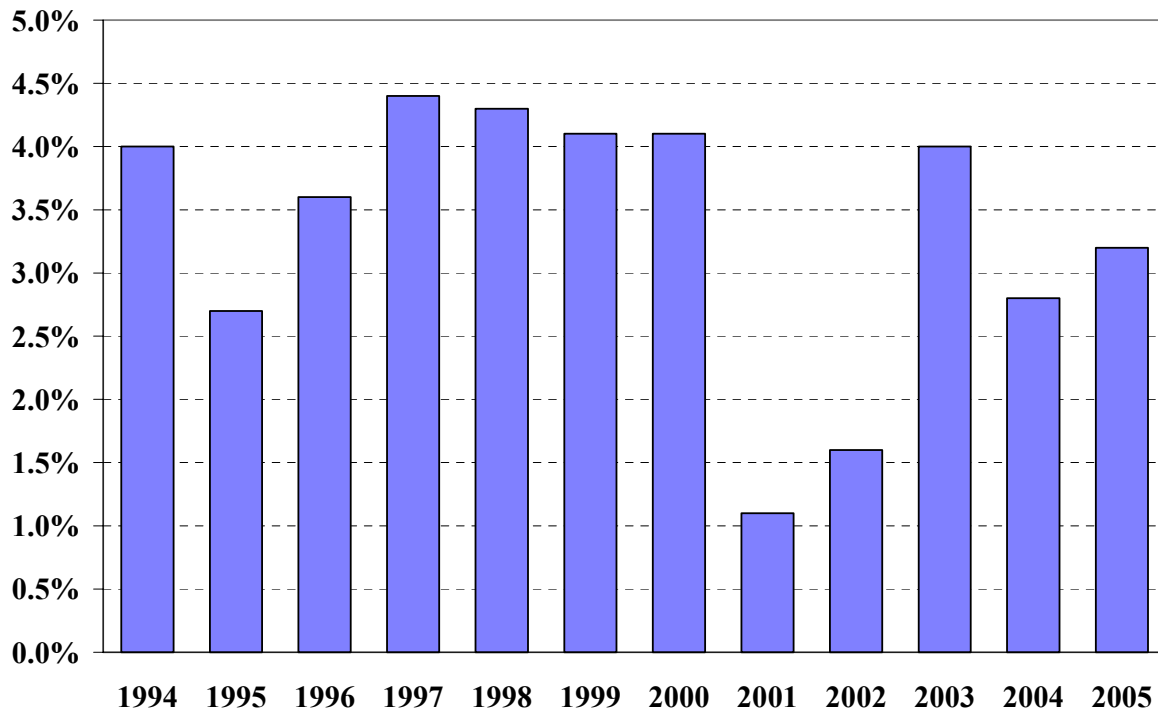
Division of Financial Management

Vol. XXIII, No. 4
October 2001

ISSN 8756-1840

- Forecast 2001-2005
- Economic Impacts of the Terrorists' Attacks on America
- Alternative Forecasts

U.S. Real GDP Growth



Source: DRI*WEFA

**IDAHO
ECONOMIC
FORECAST
2001 - 2005**

State of Idaho
DIRK KEMPTHORNE
Governor

*Costs associated with this publication are available
from the Division of Financial Management
in accordance with Section 60-202, Idaho Code.*

07-01/385/010200-180-4001

PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho. These challenges include competition among agriculture, fisheries, and expanding population, for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032

Economic Analysis Bureau
Michael H. Ferguson, Chief Economist
Derek E. Santos, Economist
(208) 334-3900

TABLE OF CONTENTS

Preface.....	iii
Introduction.....	2
Executive Summary	5
Idaho and U.S. Forecast Summary Tables.....	6
Forecast Description:	
National.....	8
Idaho	14
Forecasts Comparison.....	20
Alternative Forecasts	22
Feature Article	
Economic Impacts of the Terrorists' Attacks on America	25
Forecast Detail	31
Annual Forecast	32
Quarterly Forecast	46
Appendix.....	61
DRI*WEFA U.S. Macroeconomic Model.....	62
Idaho Economic Model.....	64
Equations	66
Endogenous Variables	70
Exogenous Variables	72

INTRODUCTION

The national forecast presented in this publication is the September 2001 DRI*WEFA shock forecast of the U.S. economy. The July 2001 *Idaho Economic Forecast* is based on the June 2001 DRI*WEFA baseline national forecast.

The cover chart shows the recent historical and short-term projected growth rates for U.S. real GDP. The most notable feature of this graph is that real GDP, after growing by at least 4.0% annually from 1997 to 2000, will slow significantly to 1.1% this year. The year 2001's marginal growth reflects the economy being mired in a recession during the second half of that year. Some of the effects of that slowing will spill over into 2002, limiting that year's growth to 1.6%. Real GDP is forecast to rise 4.0% in 2003, 2.8% in 2004, and 3.2% in 2005.

FEATURE

The economic impacts of the terrorists' attacks on America are only now being tallied. In order to do this it was essential to isolate changes that were due solely to the attacks on America. This is important because even before the attacks occurred, the U.S. economy was clearly slowing. This *Forecast's* feature article reviews DRI*WEFA's initial assessment of the attacks on the U.S. economy and analyses its impact on Idaho's economy. The Division of Financial Management's Derek Santos wrote this article.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI*WEFA examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1986 to 2005 and for every quarter from 1999 through 2004. The solution of the Idaho Economic Model for this forecast begins with the second quarter of 2001.

Descriptions of the DRI*WEFA U.S. Macroeconomic Model and the Idaho Economic Model are provided in the Appendix. Equations of the Idaho Economic Model and variable definitions are listed in the last pages of this publication.

CHANGES

DFM's standard practice is to use DRI*WEFA's baseline U.S. economic forecast to drive the Idaho Economic Model (IEM). We have abandoned this tradition in preparing the October 2001 because of the earth shattering events of September 11, 2001. DRI*WEFA's baseline projection was prepared before September 11, 2001 and, therefore, did not include the impacts of the terrorists' attacks. However, they have prepared a forecast since then that attempts to quantify these impacts. We believe this is a better representation of the state of the economy and have used it to drive the IEM instead of the baseline forecast. After this *Forecast*, all U.S. baseline forecasts will include the impacts of the attacks, and we will once again return to using them to drive the Idaho forecast.

The employment data that appear in this publication are based on monthly estimates provided by the Idaho Department of Labor. It has finalized employment numbers for the first three months of this year and provided preliminary estimates for this year's second three months. All of these data have been seasonally adjusted and converted into quarterly estimates by the Division of Financial Management (DFM).

These current data show that Idaho nonfarm employment was stronger (3,789) in the first quarter of this year than had been previously forecasted. We believe some of this increase reflects unusual seasonal employment patterns in some sectors. This being the case, there is a good chance some of this advantage will disappear in the future. This helps explain why Idaho nonfarm employment is just 178 stronger in the second quarter of this year compared to the previous forecast. Time (and more data) will determine if this assumption is correct.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the first quarter of 2001. In addition to the new income estimates, the Idaho quarterly income estimates for each quarter of 2000 were revised. The BEA will release its next round of Idaho personal income estimates in late October 2001.

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econ_pub.html. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at <http://www.state.id.us/dfm/econinfo.htm>.

Hardcopy subscription rates for the *Idaho Economic Forecast*, which is published four times a year, are as follows:

Idaho State Government	No Charge
Idaho Resident	\$10.00 per year
Non-Idaho Resident	\$20.00 per year

To subscribe, send the following information and appropriate payment to:

**Idaho Economic Forecast
Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032**

NAME _____

ORGANIZATION _____

MAILING ADDRESS _____

CITY _____

STATE _____

ZIP CODE _____

Subscriber Category Idaho State Government _____

Idaho Resident _____

Non-Idaho Resident _____

Enclosed is payment of \$ _____ for _____ years.

EXECUTIVE SUMMARY

The U.S. economic outlook has weakened compared to the July 2001 forecast because of the combined impacts of the slowing that took place over the summer as well as the terrorists' attacks on America. It is believed that this combination factors pushed the U.S. economy into a recession beginning the third quarter of this year, ending the nation's longest expansion. This is the major difference between the current and previous forecasts. The July 2001 forecast assumed the economy would weaken, but it would avoid a recession. This recession is expected to be mild by historical standards. Specifically, it is expected to last just two quarters (the minimum to be classified as a recession) and real GDP is anticipated to shrink about one-half percent. Although its duration is about the same as the 1990-91 recession (eight months), real GDP should not fall off as much as in the previous forecast. The 2001 recession should be relatively mild because of the stimulation factors already in the pipeline. Lower interest rates should have a significant role in returning the economy to growth. The Federal Reserve is currently in the midst of its most aggressive loosening in two decades. It was hoped that this summer's individual income tax rebate would be another factor that would kick start the faltering economy. Unfortunately, it appears this stimulant has not fulfilled its anticipated impact. Policymakers are considering a second round of fiscal relief to keep spending moving ahead after the terrorists' attacks. The ultimate direction and speed of spending may be determined by psychological instead of fiscal factors. The attacks could create a bunker mentality among consumers and cause them to hunker down. Alternatively, consumers could heed our leaders' patriotic appeals to keep the economy moving by spending. In summary, real GDP should increase just 1.1% in 2001, 1.6% in 2002, 4.0% in 2003, 2.8% in 2004, and 3.2% in 2005

The U.S. economic slowdown will dampen the outlook for the Idaho economy. Idaho nonfarm was expected to grow 1.6% in 2001, 1.4% in 2002, 2.2% in 2003, and 2.5% in 2004 in the July 2001 forecast. In the October 2001 forecast it is anticipated Idaho nonfarm employment will expand 1.6% in 2001, 0.4% in 2002, and 2.1% in both 2003 and 2004. Idaho real personal income is down \$25 million (0.1%) in 2002, \$12 million (0.0%) in 2003, and \$226 million (0.7%) in 2004. Idaho takes its biggest hits next year and in 2003. The delayed response to the U.S. economic slowing and the attacks are primarily the result of two factors. First, there traditionally is a lag between events at the national level and Idaho because it takes a while for changes in demand at the national level to result in changes in production at the local level. Second, the attacks occurred late in this year, so their impact on the total year is limited. Indeed, the impacts will be felt throughout 2002 and beyond. However, the attacks' impacts on the economy will eventually diminish. This is discussed in detail in the feature article included in this publication. In summary, the outlook for Idaho's economy has softened since last July. But this does not mean the state's economy is declining. Although the expected growth pace has been lowered, growth remains nonetheless. Idaho nonfarm employment and personal income are both expected to expand over the forecast period.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2001

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)										
Current \$	7,813	8,318	8,782	9,269	9,873	10,202	10,584	11,262	11,837	12,486
% Ch	5.6%	6.5%	5.6%	5.5%	6.5%	3.3%	3.7%	6.4%	5.1%	5.5%
1996 Chain-Weighted	7,813	8,159	8,509	8,857	9,224	9,325	9,473	9,855	10,132	10,460
% Ch	3.6%	4.4%	4.3%	4.1%	4.1%	1.1%	1.6%	4.0%	2.8%	3.2%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	26,984	28,627	31,289	32,666	34,097	36,276	38,298	40,530
% Ch	5.7%	4.4%	7.0%	6.1%	9.3%	4.4%	4.4%	6.4%	5.6%	5.8%
Idaho Nonfarm (Millions)	23,298	24,557	26,092	27,686	30,170	31,575	32,986	35,152	37,165	39,388
% Ch	5.6%	5.4%	6.2%	6.1%	9.0%	4.7%	4.5%	6.6%	5.7%	6.0%
U.S. (Billions)	6,547	6,937	7,426	7,777	8,319	8,747	9,046	9,583	10,068	10,589
% Ch	5.6%	6.0%	7.0%	4.7%	7.0%	5.1%	3.4%	5.9%	5.1%	5.2%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,189	27,334	29,098	29,747	30,458	31,681	32,694	33,830
% Ch	3.5%	2.4%	5.8%	4.4%	6.5%	2.2%	2.4%	4.0%	3.2%	3.5%
Idaho Nonfarm (Millions)	23,297	24,088	25,323	26,435	28,058	28,754	29,464	30,700	31,727	32,877
% Ch	3.3%	3.4%	5.1%	4.4%	6.1%	2.5%	2.5%	4.2%	3.3%	3.6%
U.S. (Billions)	6,547	6,805	7,208	7,427	7,737	7,966	8,081	8,369	8,595	8,839
% Ch	3.4%	3.9%	5.9%	3.0%	4.2%	3.0%	1.4%	3.6%	2.7%	2.8%
HOUSING STARTS										
Idaho	9,222	8,860	10,117	10,332	11,536	11,794	10,629	9,964	10,053	10,212
% Ch	-1.5%	-3.9%	14.2%	2.1%	11.7%	2.2%	-9.9%	-6.3%	0.9%	1.6%
U.S. (Millions)	1,469	1,475	1,621	1,647	1,575	1,575	1,518	1,587	1,594	1,621
% Ch	7.9%	0.4%	9.9%	1.6%	-4.4%	0.0%	-3.6%	4.6%	0.4%	1.7%
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	492.6	508.7	521.5	539.1	559.2	568.3	573.1	585.4	597.4	610.5
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.6%	0.8%	2.1%	2.1%	2.2%
U.S. (Millions)	119.6	122.7	125.8	128.9	131.8	132.4	132.5	134.4	136.5	138.8
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.5%	0.1%	1.5%	1.6%	1.7%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	4.0%	3.0%	4.4%	5.0%	5.0%
Bank Prime	8.3%	8.4%	8.4%	8.0%	9.2%	7.0%	6.0%	7.4%	8.0%	8.0%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.2%	7.4%	8.0%	8.3%	8.2%
INFLATION										
GDP Price Deflator	1.9%	1.9%	1.2%	1.4%	2.3%	2.2%	2.1%	2.3%	2.2%	2.2%
Personal Cons Deflator	2.2%	1.9%	1.1%	1.6%	2.7%	2.1%	1.9%	2.3%	2.3%	2.3%
Consumer Price Index	2.9%	2.3%	1.5%	2.2%	3.4%	3.1%	2.3%	2.4%	2.5%	2.5%

National Variables Forecast by DRI*WEFA

Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2001

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current \$	10,339	10,489	10,665	10,844	11,036	11,198	11,336	11,479	11,629	11,760	11,900	12,060
% Ch	4.0%	5.9%	6.9%	6.9%	7.3%	6.0%	5.0%	5.2%	5.3%	4.6%	4.9%	5.5%
1996 Chain-Weighted	9,329	9,413	9,521	9,628	9,738	9,829	9,891	9,960	10,031	10,094	10,161	10,242
% Ch	1.6%	3.6%	4.7%	4.6%	4.6%	3.8%	2.6%	2.8%	2.9%	2.5%	2.7%	3.2%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,400	33,820	34,316	34,853	35,442	36,034	36,562	37,064	37,577	38,037	38,530	39,048
% Ch	2.4%	5.1%	6.0%	6.4%	6.9%	6.8%	6.0%	5.6%	5.6%	5.0%	5.3%	5.5%
Idaho Nonfarm (Millions)	32,285	32,713	33,207	33,739	34,337	34,918	35,430	35,924	36,463	36,912	37,391	37,892
% Ch	2.8%	5.4%	6.2%	6.6%	7.3%	6.9%	6.0%	5.7%	6.1%	5.0%	5.3%	5.5%
U.S. (Billions)	8,885	8,978	9,095	9,227	9,384	9,527	9,651	9,770	9,901	10,009	10,121	10,240
% Ch	1.8%	4.2%	5.3%	5.9%	7.0%	6.2%	5.3%	5.0%	5.5%	4.5%	4.5%	4.8%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	30,073	30,291	30,579	30,888	31,229	31,571	31,840	32,085	32,347	32,566	32,805	33,059
% Ch	0.3%	2.9%	3.9%	4.1%	4.5%	4.4%	3.5%	3.1%	3.3%	2.7%	3.0%	3.1%
Idaho Nonfarm (Millions)	29,068	29,299	29,590	29,901	30,255	30,593	30,854	31,098	31,388	31,603	31,835	32,080
% Ch	0.6%	3.2%	4.0%	4.3%	4.8%	4.5%	3.5%	3.2%	3.8%	2.8%	3.0%	3.1%
U.S. (Billions)	8,000	8,041	8,105	8,177	8,268	8,347	8,405	8,457	8,523	8,570	8,617	8,669
% Ch	-0.3%	2.1%	3.2%	3.6%	4.5%	3.9%	2.8%	2.5%	3.1%	2.2%	2.2%	2.5%
HOUSING STARTS												
Idaho	10,979	10,762	10,508	10,268	10,127	9,991	9,892	9,848	9,967	10,034	10,078	10,134
% Ch	-6.4%	-7.7%	-9.1%	-8.8%	-5.4%	-5.3%	-3.9%	-1.8%	4.9%	2.7%	1.8%	2.2%
U.S. (Millions)	1,429	1,518	1,553	1,571	1,585	1,595	1,588	1,581	1,577	1,586	1,600	1,613
% Ch	-8.0%	27.4%	9.4%	4.8%	3.6%	2.5%	-1.6%	-1.9%	-1.0%	2.3%	3.5%	3.3%
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	569.7	571.8	574.1	576.9	580.2	583.9	587.2	590.2	593.2	596.0	598.8	601.7
% Ch	0.6%	1.5%	1.6%	2.0%	2.3%	2.5%	2.3%	2.1%	2.1%	1.9%	1.9%	1.9%
U.S. (Millions)	132.1	132.2	132.5	133.0	133.7	134.2	134.6	135.1	135.7	136.2	136.8	137.4
% Ch	0.0%	0.3%	1.1%	1.5%	1.9%	1.5%	1.4%	1.6%	1.6%	1.6%	1.6%	1.7%
SELECTED INTEREST RATES												
Federal Funds	2.5%	2.8%	3.3%	3.5%	3.8%	4.3%	4.8%	5.0%	5.0%	5.0%	5.0%	5.0%
Bank Prime	5.5%	5.8%	6.3%	6.5%	6.8%	7.3%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%
Existing Home Mortgage	7.1%	7.2%	7.5%	7.6%	7.7%	7.9%	8.2%	8.4%	8.4%	8.3%	8.3%	8.3%
INFLATION												
GDP Price Deflator	2.4%	2.2%	2.1%	2.2%	2.5%	2.2%	2.4%	2.3%	2.4%	2.0%	2.1%	2.2%
Personal Cons Deflator	2.2%	2.1%	2.1%	2.2%	2.3%	2.3%	2.5%	2.4%	2.3%	2.2%	2.3%	2.3%
Consumer Price Index	2.4%	2.3%	2.2%	2.4%	2.5%	2.5%	2.6%	2.6%	2.5%	2.4%	2.5%	2.5%

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Second Quarter of 2001 through the Fourth Quarter of 2004

The U.S. economic outlook has changed noticeably compared to the July 2001 forecast. Most notably, the current forecast includes a recession in the second half of this year. This weakening reflects the combined impacts of the slowing that took place over the summer as well as the terrorists' attacks on America. After surprising resilience, the nation's unemployment rate jumped last August. With job markets weakening and the stock market in turmoil, consumer confidence slid precipitously this summer, threatening the consumer spending that has been the last component propping the economy in recent months. These factors may have taken the economy to the brink of a downturn, but it was the terrorists' attacks that pushed it into a recession in the third quarter of 2001.

This recession is expected to be mild by historical standards. Specifically, it is expected to last just two quarters (the minimum to be classified as a recession) and real GDP is anticipated to shrink about one-half percent. Although its duration is about the same as the 1990-91 recession (eight months), its depth is not nearly as severe. Real GDP declined 1.4% during the 1990-91 recession. The 2001 recession also compares favorably to the longer historical record. Business cycle data going back to 1920 show the average recession lasted 14 months and real GDP shrank 6.6%.

The 2001 recession should be relatively mild because of the stimulation factors already in the pipeline. Lower interest rates should have a significant role in returning the economy to growth. The Federal Reserve is currently in the midst of its most aggressive loosening in two decades. Since the beginning of this year the Federal Reserve has cut its federal funds rate nine times, from 6.5% to 2.5%. The first seven moves were the central bank's attempts to kick start the slowing economy. The last two were emergency measures in response to the terrors' attacks. It usually takes six months to a year to see the effects of the Federal Reserve's actions. Thus, the first impacts of the initial Federal Reserve loosening are only now being felt. The Federal Reserve also has more leeway in setting policy. In some past recessions Federal Reserve loosening was hamstrung by high inflation. Given the current low-inflation environment, the nation's central bank has more room to loosen further without over stimulating the economy. Lower interest rates should provide a welcomed boost to the current lackluster business investment climate.

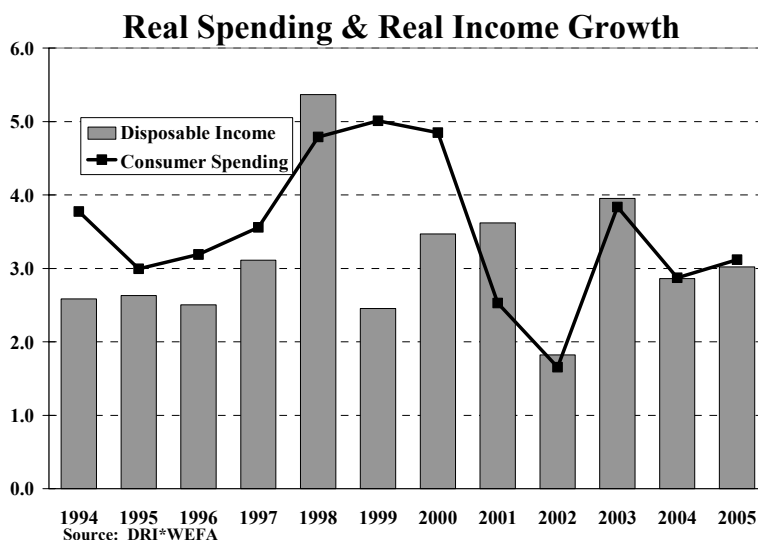
It was hoped that this summer's individual income tax rebate would be another factor that would kick start the faltering economy. Unfortunately, it appears this stimulant has not fulfilled its anticipated impact. Instead of spending most of the rebate, anecdotal evidence suggest Americans are banking a large portion of this windfall or using it to pay down their debts. Interestingly, this has not dampened all consumer spending. Sales of large-ticket items, most notably automobiles, have held up well this summer. Policymakers are considering a second round of fiscal relief to keep spending moving ahead after the terrorists' attacks. The ultimate direction and speed of spending may be determined by psychological instead of fiscal factors. The attacks could create a bunker mentality among consumers and cause them to hunker down. Alternatively, consumers could heed our leaders' patriotic appeals to keep the economy moving by spending.

As was already mentioned, the recession should be mild. In fact, it should be over by year's end. After slowing to a 1.1% pace in 2001, real GDP should expand 1.6% in 2002, 4.0% in 2003, 2.8% in 2004, and 3.2% in 2005.

SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: The hope that optimistic consumers would keep the economy out of a recession was dashed with the September 11, 2001 terrorists' attacks on America. Even before the attack there were signs consumer spending was faltering. Real consumer spending in the second quarter of this year was well below the previous year's pace. Other evidence also supports the case that consumers are hunkering down. For example, personal income rose 0.5% in July, yet consumption rose just 0.1%. After rising

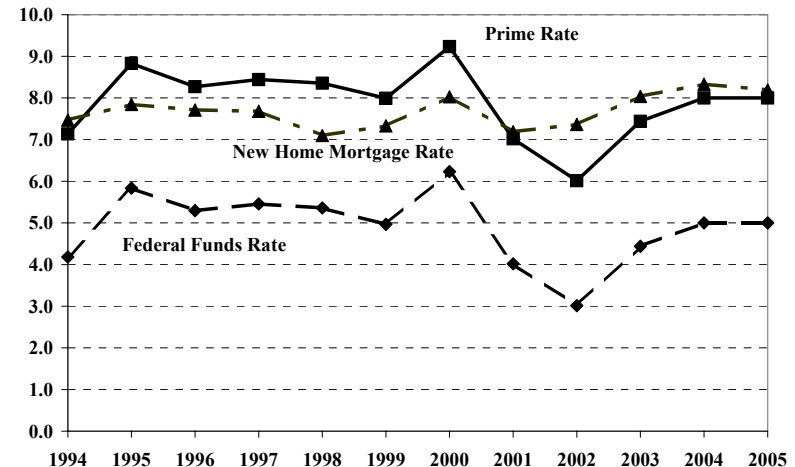
steadily to over 21.5%, the ratio of nonmortgage debt to disposable income is headed down. The personal saving rate rose to 2.5%, its highest level in over a year. All of these factors are consistent with consumers' anxieties about their employment situation and the lackluster stock market. Other factors suggest there is cause for these fears. Some spending was financed by expectations of continued overtime availability and income from second jobs. By the first quarter of 2001, debt service was claiming over 14.0% of disposable income—a share that tied the 1986 record. But the ongoing recession in manufacturing and the increasing number of pink slips have made it harder to make these debt payments. Indeed, the 25% increase in the number of nonbusiness bankruptcies in the second quarter suggests that the debt service burden may be getting unwieldy. (In fairness, some of the increase is due to marginal debtors claiming bankruptcy before tighter laws are imposed.) Not surprisingly, consumer confidence has declined steadily since last year. The University of Michigan's Index of Consumer Sentiment (1966:1=100.0) declined from 108.8 in the second quarter of 2000 to 91 in the second quarter of this year. This measure dropped 8 points in August 2001 alone. At that same time, two thirds of consumers viewed the economy as currently in decline and fewer than half expect an improvement in the next year. The University of Michigan reports its consumer sentiment index dropped to 81.8 in September 2001. Interestingly, most of this drop came before the September 11, 2001 terrorists' attacks. One need only look at recent history to find a parallel situation. In 1990, Iraq's invasion of Kuwait was the main reason consumer sentiment dropped nearly 25 points from the second quarter to the fourth quarter of that year, bottoming out at 65.1. It is anticipated consumer sentiment will drop from 91.0 in the second quarter of this year to a trough of 70.4 by year's end. As a result, real consumer spending is expected to retreat at a 2.1% annual rate during the last quarter of this year—its first reversal in a decade. Without the support of the consumer sector, the economy is forecast to experience a two-quarter recession over the second half of this year. This recession is expected to be milder than the 1990-91 recession. The forecasted recession lasts two quarters and real GDP declines 0.5% from peak to trough. In comparison, the 1990-91 recession lasted three quarters and real output declined 1.5%. There are a couple of reasons to believe the current recession should be milder than the previous one. First, low interest rates remain a lure for continued spending, especially for big-ticket items. Interestingly, some automobile manufacturers are even offering zero percent financing loan programs under certain circumstances. Second, consumers' household income has been boosted by \$40 billion in tax rebates. While it is not expected that all the \$40 billion will be spent, a portion of it will help cushion the impact of falling confidence. Consumers have the means and opportunity to spend. The biggest uncertainty is whether they have the will.



Financial: The nation's central bank finds itself with more latitude than usual to deal with current economic conditions. The Federal Reserve usually finds itself balanced on the razor's edge of promoting economic growth while keeping inflation in check. In addition, budget deficits in the past limited fiscal policy choices, putting even more pressure on monetary policy. This was indeed the case during the 1990-91 recession. Despite signs as early as 1989 the economy was slowing, the Federal Reserve eased gradually because inflation was high. Specifically, in 1989 consumer prices rose 4.8%, and

by about 7.0% in most of 1990. Fearful of fanning already hot inflationary fires, the nation's central bank's bellwether federal funds rate declined from about 8.2% from the recession's start to 6.5% at its end. The current low inflation situation has granted the Federal reserve more leeway to maneuver its policy. The Federal Reserve has cut interest rates aggressively since the beginning of this year in order to keep the economy moving forward. It was also able to make an emergency 50-basis point cut before the stock market reopened on September 17, 2001 in an attempt to ease financial market worries about liquidity. Since the beginning of this year, the Federal Reserve funds rate has dropped from 6.5% to 2.5%. And further cuts are still possible. One of the reasons the federal open market committee can afford to cut interest rates so aggressively is inflation has been relatively mild. In 2000, consumer prices increased just 3.4% despite huge jumps in energy prices. Even after cutting rates, consumer inflation slowed down this year as energy prices retreated. Once the central bank is confident the economy is on the mend it will refocus its attention on keeping inflation under control. To do this it will return to Chairman Greenspan's preferred approach of raising rates gradually beginning in the second half of 2002.

Selected Interest Rates

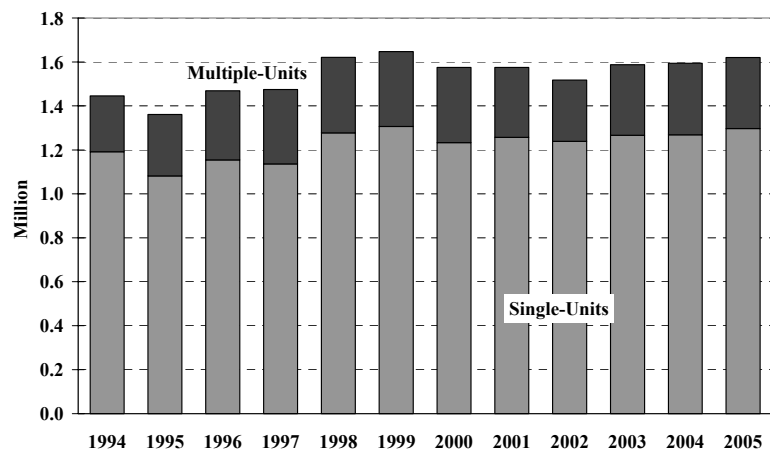


Source: DRI*WEFA

Housing: The outlook for the U.S. housing market has improved slightly despite recent and expected further declines in consumer confidence. In the July 2001 *Idaho Economic Forecast* it was anticipated that national housing starts would slide from 1.58 million units in 2000 to a trough of 1.51 million units in 2002. After 2002, it would grow gradually to 1.58 million units in 2005. In the current forecast, which includes the fallout from the terrorists' attacks, U.S. housing starts hold steady at 1.56 million units this year and bottoms out at 1.52 million units in 2002. Thus, the decline is slightly less severe than

previously thought. In addition, the recovery is stronger. Specifically, national housing starts climb to 1.62 million units in 2005. Likewise, the outlooks for sales of both new and used homes have been revised upwards in this forecast. The main reason for the improved outlook is the expectation of lower

U.S. Housing Starts



Source: DRI*WEFA

mortgage interest rates. It was previously believed the fixed mortgage interest rate would average 7.5% this year, 7.7% next year, 7.7% in 2003, and 7.8% in 2004. It is now expected to be more accommodating to the housing sector. In the current forecast, the mortgage interest rate averages 7.2% this year, 7.4% next year, 8.0% in 2003, and 8.3% in 2004, and 8.2% 2005.

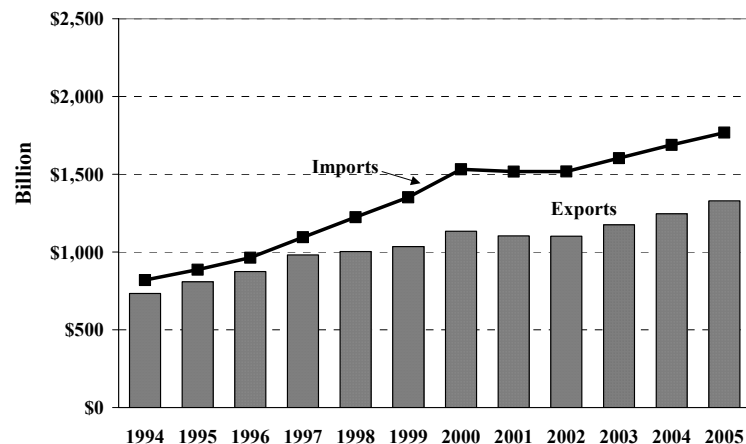
International: The U.S. recession should prove to be highly contagious. Even before the terrorists' attack, many countries were already teetering on the cusp of a recession. In many cases, trade with the U.S. was the only lifeline keeping them from a downturn. With the U.S. now expected to enter a short recession, it appears that foreign countries will get less of a boost from exports into this country and, thus, will face their own economic hard times. Japan's economy was expected to remain in the doldrums over the forecast period. However, hard times are not limited to the world's second largest

economy. Singapore is already in a recession and Taiwan is on the brink of a downturn. Most of the Asian economies were already hard hit by the triple whammy of a collapse in U.S. high-tech imports, a weaker yen (many Asian companies compete with Japan), and higher energy prices. Mexico is the country most likely to suffer from the U.S. recession because it is highly dependent on selling goods and services to the U.S. Other countries in Latin America are threatened by the looming devaluation or default in Argentina. Argentina is already in its third year of recession. Canada could also be pulled down by the U.S. slump because trade with the U.S. is a major part of its economy. Specifically, Canadian exports to the U.S. account for about 35% of that country's GDP.

Inflation: The combination of soft energy prices, tough foreign competition, weak business investment, and higher unemployment should keep a lid on both producer and consumer prices in the near future. The late summer run up in gasoline prices is not a sign of things to come because it was the result of special factors. Specifically, gasoline inventories were short last summer because declining margins caused refiners to initiate maintenance shutdowns or change products in anticipation of winter demand. Gasoline prices are expected to ease from last summer's

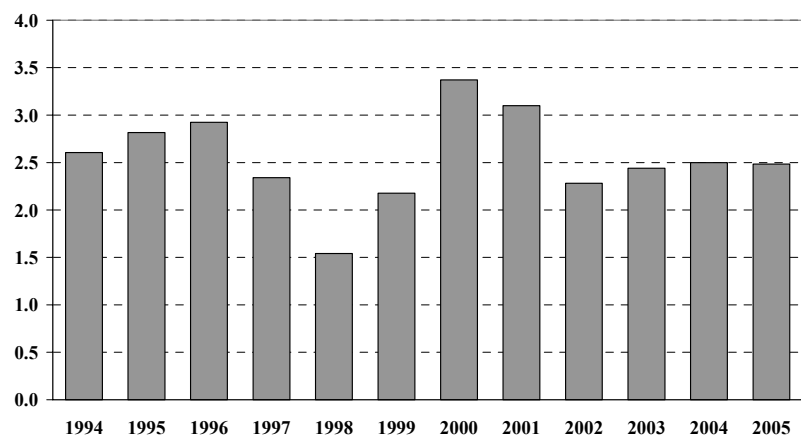
high. Balanced against temporary problems in petroleum markets are natural gas and electricity prices. A relatively cool summer has spared parts of the country from rolling blackouts. This good fortune has filtered back into natural gas markets where prices have drifted down all summer. And while electricity prices are still incorporating cost increases from earlier in the year, the supply/demand balances look

U.S. Imports and Exports



Source: DRI*WEFA

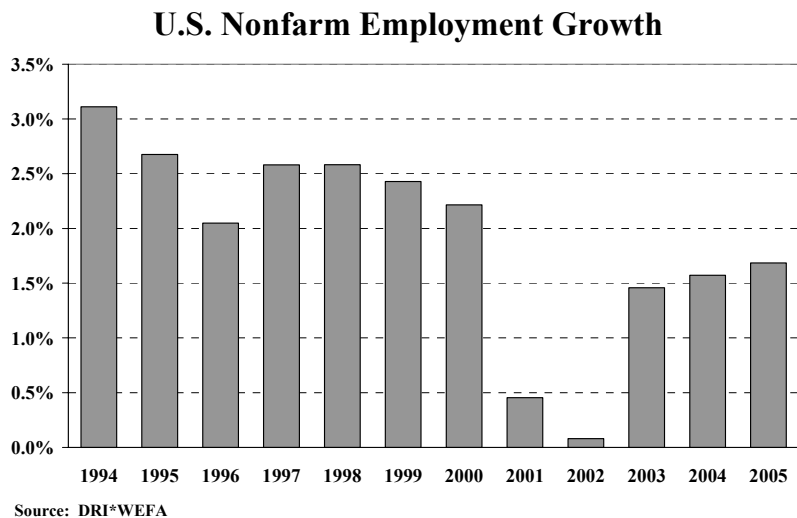
Consumer Price Inflation



Source: DRI*WEFA

much better going forward than they did late last year. This will help keep energy prices in check. As a result, the energy portion of consumer inflation is expected to decline through 2003. Core consumer inflation (all items less food and energy) is also forecast to be relatively tame. This is because core consumer inflation is driven primarily by employee compensation. It is anticipated that rising unemployment will ease pressures to raise employee wages and benefits. The current forecast shows the employee compensation index slowing to a 3.1% annual rate by the end of this year, which is less than half its 5.7% rate in 2000. The employee compensation index is forecast to rise just 2.9% in 2002, 2.7% in 2003, and 3.2% in 2004. The manufacturing recession will also limit core inflation. There is currently a worldwide glut of manufacturing capacity for a wide range of products. Those manufacturers who try to raise prices will find face resistance by consumers. Consumer prices are expected to rise 3.1% in 2001, 2.3% in 2002, 2.4% in 2003, and 2.5% in 2004.

Employment: The softening labor market finally showed up in the unemployment statistics this summer. The U.S. unemployment rate jumped to 4.9% in August 2001. The unemployment rate was significantly lower in the previous months despite other evidence that the labor market was slackening. Since the beginning of this year several major corporations have announced layoffs. The nonfarm job count also showed signs of weakness. The growth of nonfarm jobs has slowed significantly beginning with the second half of last

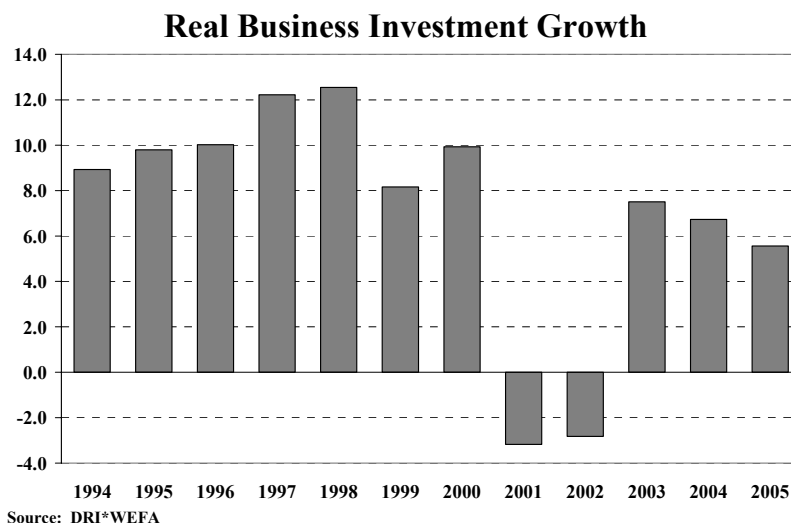


year. While the unemployment rate did rise initially, it seemed to hover too near 4.5% given the slowdown in job creation. Another sign that the employment picture was softening can be seen in the employee cost data. It would be reasonable to assume that wage and benefit pressures would ease when the labor market began to loosen. This is exactly what has been happening recently. At the end of last year the employee compensation index was rising at a 3.5% annual rate and a 4.6% rate in the first quarter of this year. It eased to a 4.0% annual rate in the second quarter of 2001 and is estimated to have slowed to a 3.8% pace in the third quarter of that year. This is consistent with a loosening labor market. However, the unemployment rate did not reflect this until late summer. Unfortunately, the labor market is forecast to turn further south over the next few quarters. Since the September terrorists' attack several large corporations, such as Boeing, have announced major layoffs. These losses will eventually show up in the official employment numbers. National nonfarm employment is expected to come to a virtual halt over the next two years before posting a gradual recovery. Specifically, the number of nonfarm jobs grows by 0.5% in 2001, 0.1% in 2002, 1.5% in 2003, 1.6% in 2004, and 1.7% in 2005. Over this same period the unemployment rate is expected to rise to from 4.0% in 2000 to 5.1% in 2005.

Business Investment: Real business investment, which had been an important engine of economic growth in the 1990s, turned into an anchor in the new millennium. A quick review shows how drastically things have changed. Real business fixed investment grew at a 10.6% average annual rate from 1995 to 2000. This was more than twice as fast as real GDP's 4.1% pace over the same period. Beginning in 2001, real business fixed investment began sliding. It declined slowly at first (a 2.1% annual rate in the first quarter), then it accelerated (an estimated 15% annual rate in the second quarter), and it is expected to weaken through the rest of the year. The important point here is that real business spending was already weakening before the September 11, 2001 terrorists' actions. It is too early to

quantify the economic impact of that terrible day. The net effects, though, will be negative. An event such as this strikes both the supply and demand sides of the economy. On the supply side, the economic effects resemble those of a natural disaster. Several billion dollars worth of the U.S. economy's productive capacity is gone. For example, the amount of office space lost in the World Trade Center bombing was the equivalent to that of a mid-sized city. However, given the nation has about \$30 trillion in capital stock, the supply-side effects will be small. The demand-side effects

will be complex. On the one hand, business spending will rise to reconstruct what was lost in the bombings. Spending will also increase for military and security purposes. This will be further assisted by an infusion of tax reductions. On the other hand, the disaster is likely to depress business sentiment. Before the terrorists' attacks, real business fixed investment was forecast to decline 2.7% this year, fall 1.0% next year, rise 6.8% in 2003, 5.7% in 2004, and 5.2% in 2005. Taking into account the effects of the bombings, the current outlook is for real business fixed investment to decline 3.2% in 2001, drop 2.8% in 2002, increase 7.5% in 2003, rise 6.7% in 2004, and grow 5.6% in 2005.



IDAHO FORECAST DESCRIPTION

The Forecast Period is the Second Quarter of 2001 through the Fourth Quarter of 2005

The U.S. economic slowdown is expected to dampen the outlook for the Idaho economy. In the July 2001 forecast it was projected the U.S. economy would slow but avoid a recession over the forecast period. The combined impacts of national economic slowing and the terrorists' attacks on America since the previous forecast was published are believed to have pushed the economy into a mild, two-quarter recession that began in the third quarter of this year. A review of the past and current Idaho forecasts show how the economy has softened.

Idaho nonfarm was expected to grow 1.6% in 2001, 1.4% in 2002, 2.2% in 2003, and 2.5% in 2004 in the July 2001 forecast. In the October 2001 forecast it is anticipated Idaho nonfarm employment will expand 1.6% in 2001, 0.4% in 2002, and 2.1% in both 2003 and 2004. This shows Idaho will take its biggest hits next year and in 2003. The delayed response to the U.S. economic slowing and the attacks are primarily the result of two factors. First, there traditionally is a lag between events at the national level and Idaho because it takes a while for changes in demand at the national level to result in changes in production at the local level. Second, the attacks occurred late in this year, so their impact on the total year is limited. Indeed, the impacts will be felt throughout 2002 and beyond. However, the attacks' impacts on the economy will eventually diminish. This is discussed in detail in the feature article included in this publication.

The combination of the national economic slowdown and the terrorist attacks are forecast to have different employment impacts on the Gem State's industries. Idaho manufacturing employment is down about 4,500 in 2004 compared to the previous forecast. Mining employment's prospects have actually improved because of revised historical data and slightly stronger national factors. Idaho mining employment is up 219 in 2004 compared to the previous forecast. The short-term outlook for Idaho's construction employment also improved for similar reasons. Recent data show both Idaho housing starts and construction employment were stronger than had been previously believed. This raised the starting point of the forecast of both of these in the current forecast. Housing starts should receive a boost from lower mortgage interest rates, and this should fuel local construction expansion in the next couple of years. However, in the latter years of the forecast both Idaho housing starts and construction employment are expected to drop below their July 2001 counterparts.

It takes the state's services-producing employment longer to fall below its July 2001 counterpart. As with the manufacturing estimates, revised data raised the starting point for the current forecast. In the current forecast services-producing employment is about 300 (0.1%) higher than in the previous forecast. However, next year this sector's employment is about 200 (0.0%) lower as the impacts of the weaker national economy spread to Idaho. By 2004, Idaho services-producing employment is down nearly 1,000 compared to the previous forecast. Idaho nominal personal income is actually higher in 2001 than previously forecast thanks to a data revision. After this year, however, Idaho nominal personal income is lower than its July counterpart. Specifically, it is down \$125 million (0.4%) in 2002, \$109 million (0.3%) in 2003, and \$320 million (0.8%) in 2004. Because of the lower inflation in the current forecast, Idaho real personal income takes less of a hit. It is down \$25 million (0.1%) in 2002, \$12 million (0.0%) in 2003, and \$226 million (0.7%) in 2004.

In summary, the outlook for Idaho's economy has softened since last July. But this does not mean the state's economy is declining. Although the expected growth pace has been lowered, growth remains nonetheless. Idaho nonfarm employment and personal income are both expected to expand over the forecast period.

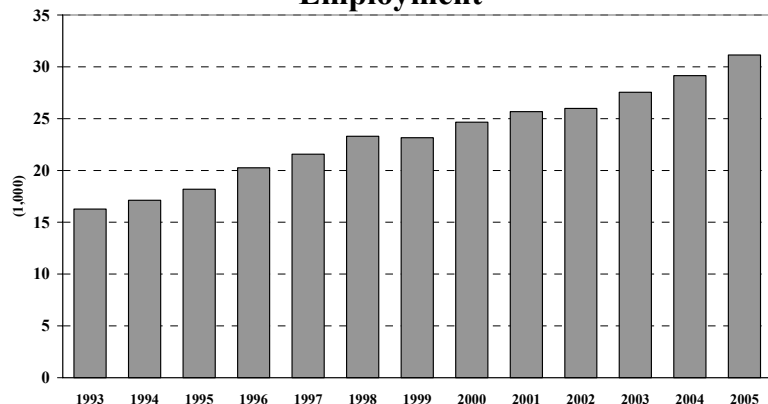
SELECTED IDAHO ECONOMIC INDICATORS

Electrical and Nonelectrical Machinery:

The Idaho electrical and nonelectrical employment forecast has been revised downward from the previous forecast. In the July 2001 *Idaho Economic Forecast* it was projected that employment in the state's largest manufacturing category would grow an average of 5.7% annually from 2000 to 2004. In the current *Forecast*, this sector's employment is expected to expand 4.3% per year over the same period.

The most notable changes occur this year and next. It was previously believed that electrical and nonelectrical employment would rise 5.1% in 2001 and 5.5% in 2002. In the new forecast it increases by 4.1% this year and by just 1.2% next year. Thus, by 2002 employment is expected to be 25,984, which is about 1,400 less than had been forecast in July 2001. There are two major reasons why this sector's employment prospects have been downgraded. First, local high-tech firms have been hit harder by the industry slowdown than had been previously thought. Idaho firms have announced plans to reduce payrolls by nearly 3,000 persons this year alone. These layoffs have been spread across several key Idaho firms, such as Hewlett-Packard; Jabil Circuit; Micron Electronics; SCP Global Technologies; Extended Systems; MCMS; and Zilog. Some locales will be more heavily impacted than other areas. For example, Boise's large and diversified job market is better able to absorb these losses than smaller markets. For example, Pocatello will feel the sting of job losses at AMI, one of its most important employers. It comes at a particularly bad time because another huge Pocatello employer, Astaris, plans to close its plant later this year. A notable exception to the list of high-tech companies announcing layoffs has been Micron Technology. The Boise Valley's largest private employer (and the world's leading producer of dynamic random access memory) has not cut jobs during the high-tech industry's current downturn. Instead, it has recently initiated a hiring freeze. This has had an impact on the employment outlook because Micron Technology has been a steady engine of growth, adding 100 to 200 jobs per month. The absence of these additional jobs has influenced the current employment forecast. The slower-than-anticipated recovery in business investment also contributed to the lowered employment projections. Real business investment on computers was previously expected to rise 13.3% in 2001 and 21.0% in 2002. The current forecast shows investment in computers falling 0.9% in 2001 and growing just 3.4% in 2002. Idaho's electrical and nonelectrical machinery sector employment should grow from 24,667 in 2000 to 31,141 in 2005.

Idaho Electrical & Nonelectrical Employment

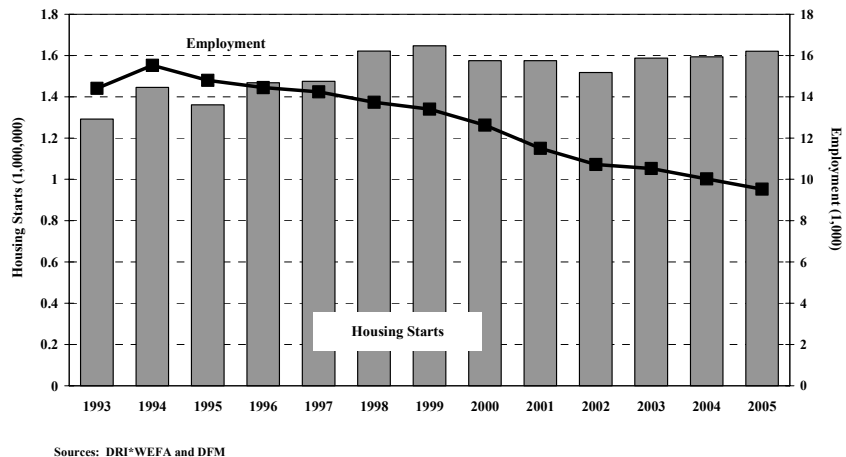


Lumber and Wood Products: The protracted slide of Idaho's lumber and wood products sector employment is expected to continue over the forecast period. This is the continuation of a region-wide downturn that began in the 1990s. The May 2001 issue of Random Length's *Yardstick* provides statistics on how widespread and severe this decline has been. The article points out that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. These closures have taken a heavy human toll. Job losses have been high. From 1989 to April 2001, an estimated 43,581 jobs have been lost in the region. The number of Idaho lumber and wood products jobs has declined from 14,747 in 1989 to 12,626 in 2000. Interestingly, the 5.8% decline in 2000 was

the largest in recent years. Falling product prices plagued this industry through most of 2000. Soft prices forced permanent job cuts at several Idaho mills. Potlatch Corporation let go of 140 salaried workers in the summer of 2000. Crown Pacific closed its 150-employee Coeur d'Alene mill indefinitely in late July 2000. Potlatch shuttered its Jaype Mill near Pierce in August 2000, a move that cost 215 jobs. Much of the decline can be traced to the falling timber harvest in Idaho. According to U.S.

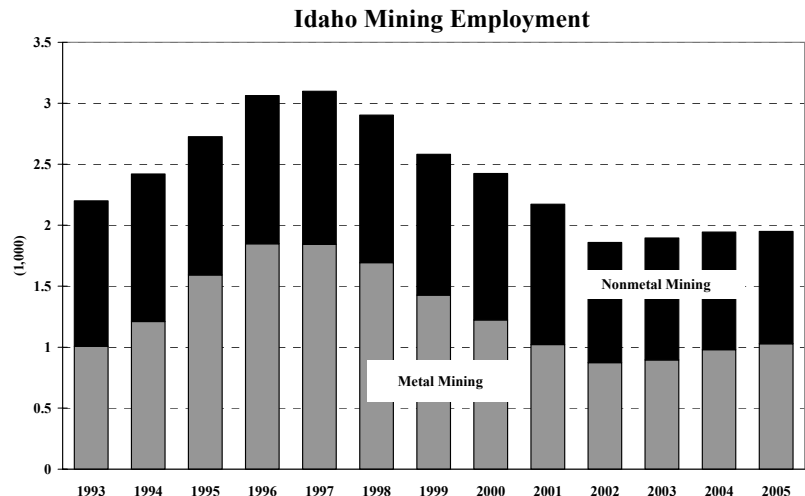
Department Agriculture records, the total amount of timber harvested in Idaho fell from 1.9 million board feet in 1989 to 1.3 billion board feet in 1999, a 30% decline. Dwindling harvests from national forests in Idaho accounted for most of this drop. This traditionally huge portion of the overall harvest fell an astounding 80% over this ten-year period. The reduced availability of federal timber was a major reason Boise Cascade Corporation shut down its Cascade sawmill and closed most operations at its Emmett plant this year. The Emmett plant lost 250 jobs and 125 jobs were lost when the Cascade plant closed. Unfortunately, these communities suffered more than job losses. Communities with national forest depend on payments in lieu of taxes (PILT) from federal timber sales. In these communities, federal lands are not on property tax rolls. Instead, these communities receive 25% of the revenue from federal timber sales in their locale. Of course, the size of the PILT is directly related to the size of the timber sale. Thus, the declining federal harvests over the last decade have slowly starved the budgets of rural governments. The Idaho Department of Labor reports PILT to these counties have declined 75% from 1989 to 2000. These communities will get relief in the form of the Craig-Wyden Bill that was passed in 2000. The bill stabilizes timber sales payments by averaging the three highest payments from 1986 to 2000. The counties will receive this amount over the next six years. Supply remains one of the biggest challenges facing Idaho's lumber and wood products sector. Most notably, uncertainties concerning timber supplies from federal forests are far from being resolved. Another concern is what impact the expiration of the Softwood Lumber Agreement the U.S. has with Canada will have on supplies. Domestic producers fear Canadian mills will flood the U.S with lumber and wood products. This industry is awash in supply thanks to excess capacity. One estimate shows the industry is already geared up to produce 20-25% more lumber than is being consumed in North America and Asia. These pressures will become more acute over the next few years as the anticipated slowing of the global economy limits markets for lumber and wood products. Idaho lumber and wood products employment is forecast to drop from 11,503 in 2001 to 9,525 in 2005.

Idaho Lumber & Wood Products Employment and U.S. Housing Starts



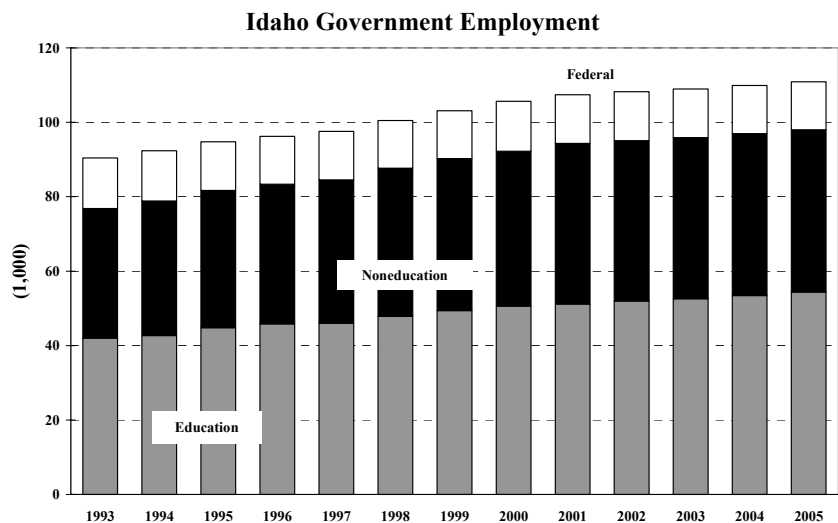
Mining and Chemicals: The state's chemical sector was dealt a harsh blow with the Astaris announcement that it will close its Pocatello elemental phosphorus plant after more than a half a century of operation. Job cuts had been anticipated even before the October 11, 2001 announcement. Last March, the company reported its plan to shut down three of its four production furnaces and was planning to reduce its work force by half (around 200) by June 2002. Since then, employment had fallen to about 300 employees, all of whom will lose their jobs when the plant closes later this year. Company officials cited competitive, environmental, and energy reasons for the plant closure. Unfortunately, Astaris is not the only Gem State chemical manufacturer to fall on hard times. Kerr-

McGee closed its Soda Springs vanadium and phosphate plant due to the low price of vanadium. Idaho chemical employment should decline from 2,241 in 2001 to 1,774 in 2005. This setback to the chemical industry occurs as the state's mining industry is in the midst of its own downturn. After peaking near 3,100 jobs in 1997, Idaho mining sector employment has declined in each year since then. One of the mining industry's latest blows came last winter when the Sunshine Mine closed. While low prices for its output has bedeviled the mining industry, it was not the reason for this closure. The Asarco smelter in East Helena, Montana closed in February of this year, leaving Sunshine Mine without a place to send its silver concentrate. It was recently announced that Hecla Mining's Lucky Friday Mine would also close, a move that will eliminate 100 jobs. With the Sunshine and Lucky Friday mines closed, only Coeur Silver Valley Resource's Galena Mine remains in operation in Idaho's historic Silver Valley. Idaho mining employment is expected to drop from 2,172 in 2001 to 1,949 in 2005.



Federal, State, and Local Governments:

Idaho government employment growth is partially tied to its population. This being the case, Government employment growth in the Gem State is expected to slow along with its population over the next few years. Idaho's population growth is the result of two major components: natural population growth and domestic migration. (International migration is not a significant contributor to overall Idaho growth.) Natural population growth is simply the



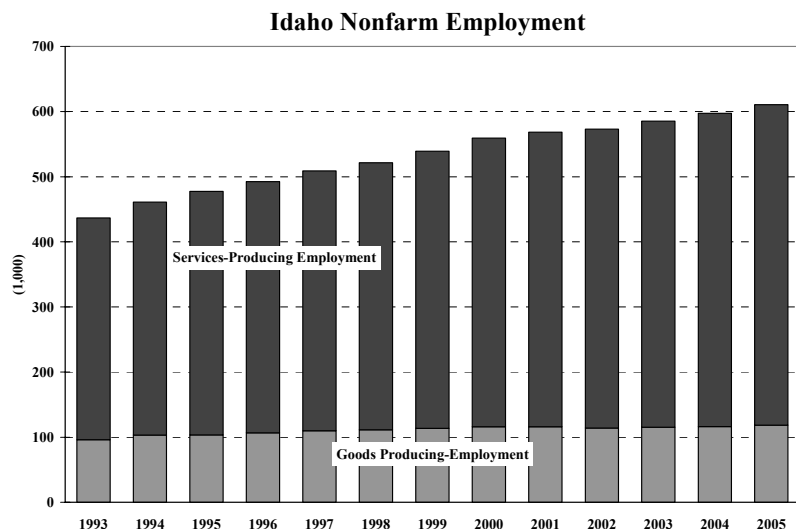
number of births less the number of deaths. In Idaho, natural population growth provides steady, but uneventful, growth. Traditionally, large swings in the state's population growth are caused by domestic migration. The 1990s serve as a classic example of this phenomenon. Idaho's population jumped 28.5% from 1990 to 2000. Net migration accounted for 191,550 or two-thirds of this increase total. In contrast, more people moved out of the state than entered it during the 1980s. As a result, the population increased just 6.6% that decade. There are several reason for the state's population explosion in the 1990s, but its strong economy relative to the rest of the country was a prime determinant. U.S. nonfarm employment shrank by nearly 1.0% from 1990 to 1992, and for California

slow growth lingered even longer. Idaho nonfarm employment advanced more than 8.0% over this same period. The favorable economic conditions made Idaho a magnet for migration. A surge of migration hit Idaho in the first half of the 1990s. In each of the three years from 1992 to 1994, net migration was over 20,000. This helped the state's population grow by about 3.0% in each of those years, which was nearly three times faster than the nation. The combination of the slow growth in the 1980s and the 1990's rapid rise in population strained the state's infrastructure. In response to these pressures, Idaho state and local government employment advanced over 3.5% annually during the first half of the decade. By the end of the 1990's Idaho's population growth was about half as fast as in the early 1990s. This has given Idaho state and local governments the opportunity to catch up with infrastructure needs. As these needs are met, Idaho state and local employment growth is expected to slow. In addition, Idaho local government budget caps will further limit employment gains. Idaho state and local government employment is forecast to increase 2.3% in 2001, 0.8% in 2002, 0.9% in 2003, 1.1% in 2004, and 1.1% in 2005. Idaho state and government employment can be divided into its education and non-education components. Idaho education employment is forecast to rise 1.2% this year, 1.6% next year, 1.2% in 2003, 1.6% in 2004, and 1.7% in 2005. Idaho non-education government employment should increase 3.7% in 2001, fall 0.2% in 2002, and increase 0.4% in 2003, 2004, and 2005. Idaho federal government employment is anticipated to feel the impact of federal budget cutting; it is expected to decline slowly over the forecast period. It is assumed that most of the declines will be from attrition instead of layoffs. Idaho federal employment should drop from 13,427 in 2001 to 12,880 in 2005, a cumulative decline of 4.0%.

Services-Producing Industries:

The state's services-producing sector consists of finance, insurance, and real estate; transportation, communications, and public utilities; trade; services; and government. Given this broad definition, it is no wonder it accounts for most of the jobs in Idaho. Like its national counterpart, Idaho's services-producing sector continues to grow and evolve. The biggest change has been the move away from a goods-producing economy to a services-producing one. This can be seen in the

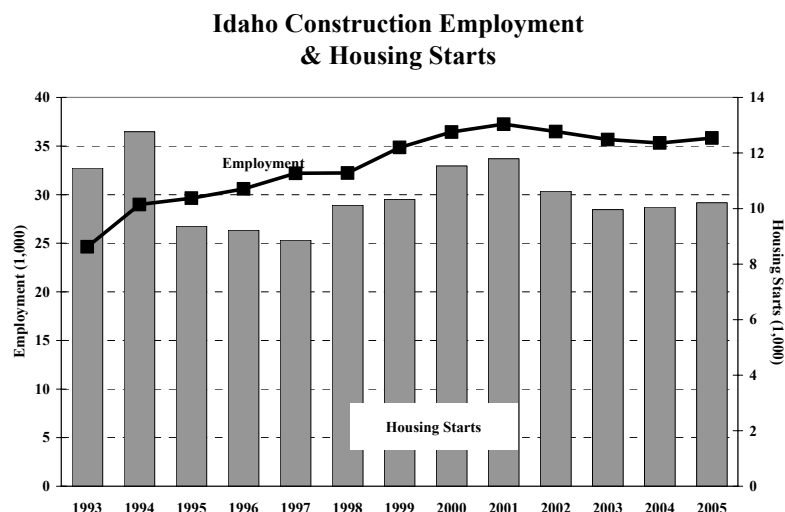
nonfarm job data. In 1970, just over one of every four jobs in Idaho was in the goods-producing sector (manufacturing, mining, and construction). Three decades later, the goods-producing sector accounts for one of every five jobs. Trade and services account for more than half the employees of the services-producing sector. These two categories have benefited from ongoing structural changes. One such trend is the increasing presence of national "big-box" merchandisers in the Gem state. For example, trade employment in 2001 was boosted by the opening or expansion of several Wal-Mart, Fred Meyer, and Home Depot stores. An evolutionary change in this sector has been the growth of back-office operations and call centers. Many companies are no longer tied to the location of key natural resources or markets. Changing technology make it possible for them to operate virtually anywhere. For example, landlocked Boise is the home to an international shipping company's scheduling operations. The call centers are involved in a wide range of activities including sales, help lines, telemarketing, customer services, and market research. Call centers also encompass a wide variety of business activities. These



include manufacturing, transportation, communications, trade, finance, insurance, business services, and research and development. One of the most pleasing aspects of this growth is how diverse it has been. The GTE order-processing center is in North Idaho, the Carlson Leisure Group call center is in the Treasure Valley, and Convergys Call Center is in Bannock County. Business services employment has also expanded thanks to the growing use of temporary employees. Some temporary employees work at manufacturing firms. Although they perform manufacturing tasks, they are technically employed by employment agencies, and are counted in the business service component. Services-producing employment is projected to increase 2.1% in 2001, 1.5% in 2002, 2.4% in 2003, 2.4% in 2004, and 2.3% in 2005.

Construction: Idaho's economy is expected to enter the first half of this decade without the support of the construction sector. This marks a significant departure from the 1990s when the construction sector was a key component of growth. Actually, the construction industry's strength reaches further back past the 1990s and into the latter years of the 1980s, when the current Idaho economic expansion was in its earliest stages. Gem

State construction employment rose slowly in 1988 (3.5%) before taking off in 1989 (13.1%). While the magnitude of this turnaround is noteworthy, its duration has been just as impressive. From 1989 to 1999, the number of construction jobs in Idaho advanced 8.2% per year. In comparison, Idaho total nonfarm employment growth averaged 4.0% per year over the same period. The growth in construction employment resulted primarily from the booming housing market caused by the state's rising population. During the 1990s, Idaho's population rose up to three times as fast as the national population. Not surprisingly, housing starts surged from about 3,300 units in 1988 to nearly 12,800 units in 1994. Interestingly, Idaho never developed the inventory overhang problem that can follow construction booms. Housing starts did settle down to about 9,400 units in 1995, but strong nonresidential construction kept this sector's employment healthy. Since then, total housing starts have hovered in the 9,000- to 11,000-unit range. Idaho construction employment is likely to suffer losses associated with the closing of Astaris' Pocatello phosphorus plant. More than 500 construction workers were building a waste treatment facility at the plant. This \$120 million project has been suspended, putting these jobs in jeopardy. Idaho construction employment is expected to drop from 37,247 in 2001 to 35,826 in 2005. Idaho housing starts are forecast to be 11,794 units in 2001, 10,629 in 2002, 9,964 in 2003, 10,053 in 2004, and 10,212 in 2005.



FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI*WEFA's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2001 to the October 2001 *Idaho Economic Forecast*. The July 2001 Idaho forecast is based on DRI's June 2001 U.S. macroeconomic forecast and the October 2001 Idaho forecast is driven by DRI*WEFA's September 2001 "shock" forecast.

The major difference between the current and previous U.S. macroeconomic forecasts is DRI*WEFA now expects the economy to suffer a mild recession. There was no recession in the previous forecast. The U.S. economy had been slowing noticeably even before the events of September 11, 2001. But the fallout from that terrible day lowered projections further. Thus, the differences between the previous and the current forecasts reflect the ongoing slowing of the economy and the repercussions of the terrorists' attacks. A look at the GDP shows the combined impact of these two factors on the overall economy. Real GDP is down 1.6% in 2001, 2.3% in 2002, 1.4% in 2003, and 1.7% in 2004. Obviously, the economy takes its biggest hit in 2002. Other data also suggest next year will be a challenge. National nonfarm employment is down 0.2% this year, 0.8% next year, and 0.4% in 2003. Interestingly, the relative declines are spread virtually even between the goods-producing and services-producing sectors in 2001 and 2002. The current forecast shows U.S. real personal income is projected to be slightly higher than previously projected in 2001, but unchanged in 2002. Interest rates are lower in both these years, reflecting the assumption the Federal Reserve will continue to aggressively loosen to help restart the economy. The accompanying table shows lower inflation rates over the next four years, which is consistent with the weaker economic outlook.

The negative impacts of the U.S. economic slowdown will be felt in Idaho after a short lag. Notice that both 2001 Idaho nonfarm employment and real personal income is virtually unchanged from the previous forecast. This will change markedly after this year. Idaho nonfarm employment is down 0.5% in both 2002 and 2003 and off nearly 1.0% in 2004. Put another way, Idaho nonfarm employment goes from being 272 above the previous forecast in 2001 to nearly 5,500 below it in 2004. The goods-producing sector is hardest hit. By 2004, its employment is almost 4,500 lower than had been forecast previously. The services-producing employment is down about 1,000 from the July 2001 projection. Given the employment forecast, it is no surprise Idaho personal income also grows weaker over the forecast period. Specifically, Idaho nominal personal income goes from being \$56 million above the previous forecast in 2001 to \$320 lower in 2004. Idaho real personal income displays a similar pattern, but the decline is not as steep thanks to lower inflation over the forecast period.

IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
OCTOBER 2001 AND JULY 2001 FORECASTS

	1999	2000	2001	2002	2003	2004
GDP (BILLIONS)						
Current \$	-31	-90	-183	-314	-250	-305
% Difference	-0.3%	-0.9%	-1.8%	-2.9%	-2.2%	-2.5%
1996 Chain-Weighted	-19	-95	-152	-224	-144	-179
% Difference	-0.2%	-1.0%	-1.6%	-2.3%	-1.4%	-1.7%
PERSONAL INCOME - CURR \$						
Idaho (Millions)	0	1	56	-125	-109	-320
% Difference	0.0%	0.0%	0.2%	-0.4%	-0.3%	-0.8%
U.S. (Billions)	-12	37	70	-28	1	-31
% Difference	-0.2%	0.5%	0.8%	-0.3%	0.0%	-0.3%
PERSONAL INCOME - 1996 \$						
Idaho (Millions)	33	-43	82	-25	-12	-226
% Difference	0.1%	-0.1%	0.3%	-0.1%	0.0%	-0.7%
U.S. (Billions)	-3	23	72	-2	22	-14
% Difference	0.0%	0.3%	0.9%	0.0%	0.3%	-0.2%
TOTAL NONFARM EMPLOYMENT						
Idaho	6	-11	272	-2,748	-3,012	-5,448
% Difference	0.0%	0.0%	0.0%	-0.5%	-0.5%	-0.9%
U.S. (Thousands)	0	0	-325	-1,094	-487	90
% Difference	0.0%	0.0%	-0.2%	-0.8%	-0.4%	0.1%
GOODS PRODUCING SECTOR						
Idaho	0	-11	-61	-2,551	-3,029	-4,463
% Difference	0.0%	0.0%	-0.1%	-2.2%	-2.6%	-3.7%
U.S. (Thousands)	0	0	-57	-209	33	139
% Difference	0.0%	0.0%	-0.2%	-0.9%	0.1%	0.6%
SERVICE PRODUCING SECTOR						
Idaho	5	0	332	-198	17	-986
% Difference	0.0%	0.0%	0.1%	0.0%	0.0%	-0.2%
U.S. (Thousands)	0	0	-268	-885	-520	-49
% Difference	0.0%	0.0%	-0.2%	-0.8%	-0.5%	0.0%
FINANCIAL MARKETS						
Federal Funds Rate	0.0	0.0	-0.3	-0.6	0.3	0.3
Bank Prime Rate	0.0	0.0	-0.3	-0.5	0.3	0.3
Mort Rate, Existing Homes	0.0	0.0	-0.3	-0.3	0.3	0.5
INFLATION						
GDP Price Deflator	-0.1	0.1	-0.2	-0.6	-0.8	-0.9
Personal Cons Deflator	-0.1	0.2	-0.1	-0.3	-0.3	-0.2
Consumer Price Index	0.0	0.0	-0.6	-1.0	-1.0	-0.7

Forecast Begins the SECOND Quarter of 2001

ALTERNATIVE FORECASTS

DRI*WEFA has assigned a 50% probability of occurrence to its September 2001 shock forecast of the U.S. economy that was prepared after the terrorists' attacks. This is the forecast we are using as the baseline for the current Idaho Economic Forecast. The major features of this forecast include:

- Real GDP increases 1.1% in 2001, 1.6% in 2002, 4.0% in 2003, 2.8% in 2004, and 3.2% in 2005;
- U.S. nonfarm employment grows 0.5% in 2001, 0.1% in 2002, 1.5% in 2003, 1.6% in 2004, and 1.7% in 2005;
- the U.S. civilian unemployment rate peaks at 5.9% in 2002, then eases to 5.1% in 2005;
- consumer confidence sinks to 70.7 at the end of this year, then recovers gradually thereafter;
- consumer inflation is 3.1% in 2001, then ranges between 2.3% and 2.5% thereafter;
- and the real trade deficit swells from \$399 billion in 2000 to about \$440 billion in 2005.

DFM's standard practice is to use DRI*WEFA's baseline U.S. economic forecast to drive the Idaho Economic Model (IEM). We have abandoned this tradition in preparing the October 2001 because of the earth shattering events of September 11, 2001. DRI*WEFA's baseline projection was prepared before September 11, 2001 and, therefore, did not include the impacts of the terrorists' attacks. However, they have prepared a forecast since then that attempts to quantify these impacts. We believe this is a better representation of the state of the economy and have used it to drive the IEM instead of the U.S. baseline forecast. After this *Forecast*, all U.S. baseline forecasts will include the impacts of the attacks, and we will once again return to using them to drive the Idaho forecast.

Readers are cautioned regarding comparisons between the current U.S. and Idaho economic forecasts and the alternatives presented here. This is because the forecast under the current column includes the impacts of the September 11, 2001 attacks. On the other hand, the alternative forecasts do not. This admittedly creates an apples-to-oranges comparison, but this is inescapable at this time. Thus, we have de-emphasized these types of comparisons in this section. Rather, each forecast should be evaluated on its own merits. We expect all future alternative forecasts will include these impacts, making comparisons with the baseline forecast valid once again.

LATE RECESSION SCENARIO

DRI*WEFA's *Late Recession Scenario* has been assigned a 10% probability of occurrence. This scenario examines the chain of events started by a weaker dollar. Initially, the dollar weakens because global investors shy away from making further commitments in the U.S. The lower dollar raises the price of imports, which provides domestic businesses some pricing relief. Both factors fuel inflation. In addition, OPEC cuts output to raise its price in order to offset losses caused by the falling dollar. This is because oil, like American products, is priced in U.S. dollars and loses purchasing power when the dollar falls. After a long dormancy, inflation heads to 4.0%.

The rising inflation catches the central bank's attention. Once again the Federal Reserve takes on the inflation battle. By the summer of 2003, the federal funds rate is at 8.0%. The stock market tumbles as interest rates climb. Higher borrowing costs also take their toll on business and consumers. Business investment is dampened. Consumers feel the dual crunch of rising mortgage interest rates and higher unemployment. As a result, the housing market collapses. The economy slips into a recession in the spring of 2003. Real GDP drops 1.5% over three quarters. The Federal Reserve moves to lower interest

IDAHO ECONOMIC FORECAST
CURRENT AND ALTERNATIVE FORECASTS
OCTOBER 2001

	CURRENT					LATE RECESSION					PESSIMISTIC				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
GDP (BILLIONS)															
Current \$	10,202	10,584	11,262	11,837	12,486	10,247	10,706	11,108	11,674	12,771	10,213	10,393	11,020	11,666	12,291
% Ch	3.3%	3.7%	6.4%	5.1%	5.5%	3.8%	4.5%	3.8%	5.1%	9.4%	3.4%	1.8%	6.0%	5.9%	5.4%
1996 Chain-Weighted	9,325	9,473	9,855	10,132	10,460	9,365	9,590	9,705	9,965	10,622	9,334	9,307	9,668	10,018	10,346
% Ch	1.1%	1.6%	4.0%	2.8%	3.2%	1.5%	2.4%	1.2%	2.7%	6.6%	1.2%	-0.3%	3.9%	3.6%	3.3%
PERSONAL INCOME - CURR \$															
Idaho (Millions)	32,666	34,097	36,276	38,298	40,530	32,705	34,355	36,260	37,983	41,222	32,678	33,792	35,706	37,722	39,816
% Ch	4.4%	4.4%	6.4%	5.6%	5.8%	4.5%	5.0%	5.5%	4.8%	8.5%	4.4%	3.4%	5.7%	5.6%	5.6%
U.S. (Billions)	8,747	9,046	9,583	10,068	10,589	8,764	9,137	9,566	9,943	10,800	8,754	8,938	9,379	9,886	10,398
% Ch	5.1%	3.4%	5.9%	5.1%	5.2%	5.4%	4.3%	4.7%	3.9%	8.6%	5.2%	2.1%	4.9%	5.4%	5.2%
PERSONAL INCOME - 1996 \$															
Idaho (Millions)	29,747	30,458	31,681	32,694	33,830	29,780	30,565	31,247	31,843	33,602	29,758	30,208	31,272	32,316	33,402
% Ch	2.2%	2.4%	4.0%	3.2%	3.5%	2.3%	2.6%	2.2%	1.9%	5.5%	2.3%	1.5%	3.5%	3.3%	3.4%
U.S. (Billions)	7,966	8,081	8,369	8,595	8,839	7,981	8,129	8,244	8,336	8,804	7,972	7,990	8,215	8,469	8,723
% Ch	3.0%	1.4%	3.6%	2.7%	2.8%	3.1%	1.9%	1.4%	1.1%	5.6%	3.0%	0.2%	2.8%	3.1%	3.0%
TOTAL NONFARM EMPLOYMENT															
Idaho (Thousands)	568.3	573.1	585.4	597.4	610.5	568.6	575.7	581.8	586.5	608.6	568.3	569.7	579.2	592.8	605.7
% Ch	1.6%	0.8%	2.1%	2.1%	2.2%	1.7%	1.2%	1.1%	0.8%	3.8%	1.6%	0.2%	1.7%	2.3%	2.2%
U.S. (Millions)	132.4	132.5	134.4	136.5	138.8	132.5	132.9	133.1	133.6	138.7	132.3	130.7	132.3	135.3	138.0
% Ch	0.5%	0.1%	1.5%	1.6%	1.7%	0.5%	0.3%	0.1%	0.4%	3.8%	0.4%	-1.2%	1.2%	2.3%	2.0%
GOODS PRODUCING SECTOR															
Idaho (Thousands)	116.0	114.1	115.3	116.3	118.5	116.3	115.6	113.9	114.1	122.2	116.0	111.9	113.2	116.0	118.2
% Ch	0.0%	-1.7%	1.1%	0.8%	1.9%	0.2%	-0.6%	-1.4%	0.2%	7.1%	-0.1%	-3.5%	1.2%	2.5%	1.8%
U.S. (Millions)	25.1	24.4	24.5	24.6	24.8	25.2	24.7	24.3	23.8	25.2	25.1	23.6	23.4	24.1	24.6
% Ch	-2.2%	-3.2%	0.6%	0.5%	0.5%	-2.0%	-2.1%	-1.5%	-1.9%	5.9%	-2.2%	-6.0%	-1.1%	2.9%	2.3%
SERVICE PRODUCING SECTOR															
Idaho (Thousands)	452.3	459.1	470.0	481.1	492.0	452.4	460.1	467.9	472.4	486.4	452.3	457.8	466.0	476.8	487.5
% Ch	2.1%	1.5%	2.4%	2.4%	2.3%	2.1%	1.7%	1.7%	1.0%	3.0%	2.1%	1.2%	1.9%	2.4%	2.3%
U.S. (Millions)	107.2	108.1	109.9	111.9	114.1	107.3	108.3	108.8	109.8	113.4	107.2	107.1	108.9	111.2	113.4
% Ch	1.1%	0.8%	1.6%	1.8%	2.0%	1.2%	0.9%	0.5%	0.9%	3.4%	1.1%	-0.1%	1.7%	2.1%	2.0%
SELECTED INTEREST RATES															
Federal Funds	4.0%	3.0%	4.4%	5.0%	5.0%	4.2%	3.5%	6.9%	6.6%	7.5%	4.1%	2.9%	3.5%	3.7%	4.1%
Bank Prime	7.0%	6.0%	7.4%	8.0%	8.0%	7.2%	6.5%	9.9%	9.6%	10.5%	7.1%	5.9%	6.5%	6.7%	7.1%
Existing Home Mortgage	7.2%	7.4%	8.0%	8.3%	8.2%	7.2%	7.4%	9.7%	9.5%	10.0%	7.2%	7.2%	7.5%	7.5%	7.7%
INFLATION															
GDP Price Deflator	2.2%	2.1%	2.3%	2.2%	2.2%	2.2%	2.0%	2.5%	2.3%	2.6%	2.2%	2.1%	2.1%	2.2%	2.0%
Personal Cons Deflator	2.1%	1.9%	2.3%	2.3%	2.3%	2.1%	2.3%	3.2%	2.8%	2.8%	2.1%	1.9%	2.1%	2.2%	2.1%
Consumer Price Index	3.1%	2.3%	2.4%	2.5%	2.5%	3.1%	2.6%	3.3%	2.9%	3.0%	3.1%	2.2%	2.2%	2.4%	2.4%

Forecast Begins the SECOND Quarter of 2001

rates in response to the recession. As a result of the Federal Reserve's prompt response, the economy recovers quickly.

Like its national counterpart, the Idaho economy enjoys strong growth during the early years of the forecast, but pays for it with weaker growth in the latter years. Idaho nonfarm employment advances 1.7% in 2001, 1.2% in 2002, 1.1% in 2003, 0.8% in 2004, and 3.8% in 2005. Idaho real personal income grows 2.3% this year, 2.6% next year, 2.2% in 2003, 1.9% in 2004, and 5.5% in 2005.

PESSIMISTIC SCENARIO

In the *Pessimistic Scenario* the recession comes sooner than in the alternate scenario described above. The *Pessimistic Scenario* has been assigned a 40% probability of occurrence. Regular readers of the *Idaho Economic Forecast* should recognize this scenario. In this scenario, the ongoing manufacturing recession spreads to the rest of the economy. Excess capacity and inventories, especially in the high-tech and communication sectors hurt business investment. Weak earning reports drive the stock market back down. In addition, uncertainty regarding employment causes consumer confidence to waver. As a result, consumers retrench.

The Federal Reserve is not oblivious to the signs of the weakening economy, and moves to reverse the slowdown. The Federal Reserve cuts interest rates aggressively. But this remedy arrives too late to prevent a recession. The recession starts in the third quarter of 2002 and lasts three quarters. Over this period, real GDP shrinks 1.4%. The mildness of this downturn hinges primarily on quick resumption of credit flows, lower energy prices, and ongoing efforts to exploit the opportunities inherent in the Internet and wireless technologies. Should any of these assumptions not hold the downturn would be worse.

The Idaho economy takes a minor hit from the mild national recession in 2002, then posts respectable growth over the remaining years of the forecast. A look at nonfarm employment and real personal income illustrates this point. In 2002, Idaho nonfarm employment growth stalls at 0.2% and real personal advances just 1.5%. In comparison, Idaho employment grows 1.2% and real income increases 2.6% in the same year in the *Late Recession Scenario*. The Idaho economy picks up speed after 2002. However, it is not able to overtake its *Late Recession* counterpart. As the accompanying table shows, both Idaho nonfarm employment and real personal income in 2005 are lower in this scenario compared to the *Late Recession Scenario*.

Economic Impacts of the Terrorists' Attacks on America

Derek Santos

The impacts of the September 11, 2001 terrorists' attacks on America are still being calculated. More than a month after this terrible day, government officials can offer only estimates of how many people were killed or injured. Precise property loss figures do not exist. And only now are we beginning to see the first estimates of the attacks' impacts on the overall economy. This article reviews DRI*WEFA's initial assessment of the attacks on the U.S. economy and analyzes its impact on Idaho's economy.

Methodology

To estimate the impacts of the terrorists' attacks on the U.S. and Idaho economies, the changes since the July 2001 forecast that were due solely to the attacks on America should be isolated. Even before the attacks occurred, the U.S. economy was clearly slowing. The October 2001 forecast would have been lower even if the attacks had not taken place. Clearly, not accounting for this summer's slowing would overstate the impacts of the attacks.

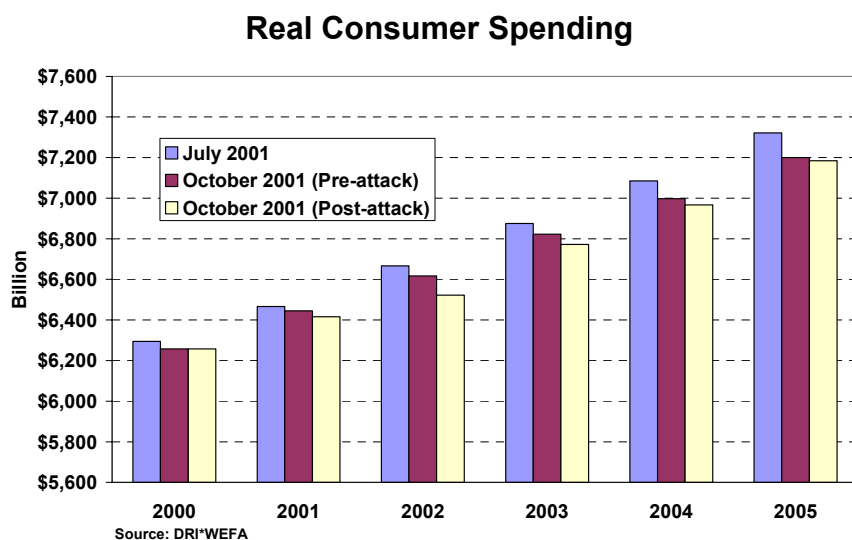
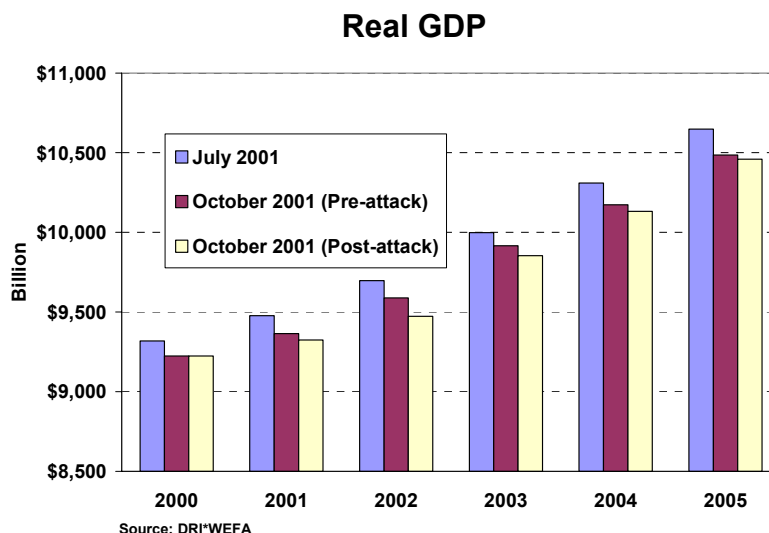
Of course, it is impossible to find a single variable that will summarize these impacts. On the other hand, time, space, and availability prevent preparation of an exhaustive list of changes to the forecast. Instead, focusing on a few national and local factors achieves a reasonable balance between the accuracy and scope of this study.

In order to assess the impact of the attacks on the U.S. and Idaho economy accurately, we used a multi-stage approach. DRI*WEFA prepared both post-attack and pre-attack U.S. economic forecasts in September 2001. A full Idaho economic forecast based on DRI*WEFA's post-attack forecast was used as the baseline reported in the October 2001 *Idaho Economic Forecast*. The forecasted changes from the July 2001 publication included the impacts of the attacks and the economic slowing that took place this summer. Another forecast was run based on the pre-attack national forecast and included changes due to the economic slowing. The differences between the two forecasts reveal the damage caused by the attacks.

National Economic Impacts

The most significant change between the July 2001 and the October 2001 forecasts is that the October forecast includes a recession while the July forecast assumed the economy would skirt it. While the attacks may have been the events that sent the U.S. economy into a recession, they do not shoulder all of the blame. The U.S. economy was already on the brink of a recession when the attacks pushed it over the edge. Interestingly, neither the economic slowing nor the attacks alone would have caused a recession. It is the combination of the two that causes the downturn. In fact, the data suggest most of the changes since July 2001 reflect last summer's softening rather than the impacts of the attacks. The forecast for real Gross Domestic Product (GDP) in 2001 has been revised down from \$9.5 trillion in July 2001 to \$9.3 trillion in October 2001.

However, of the \$200 billion decline, only \$40 billion is attributable to the attacks. The impacts of the attacks are more significant in 2002 because they took place late in 2001. Real GDP for 2002 has been revised down from \$9.7 trillion to \$9.5 trillion. The attacks account for just over half (\$116 billion) of this drop. After 2002, the real GDP gap narrows between the pre- and post-attack October forecasts. For example, by 2005 the difference between the two real GDP forecasts is just \$26 billion.

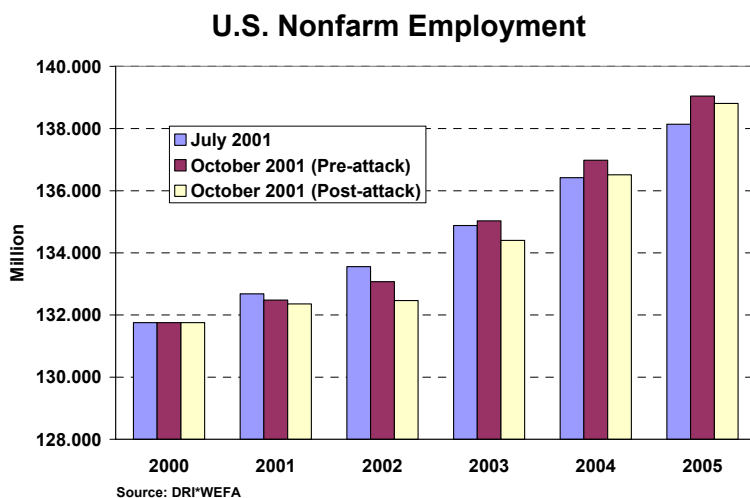
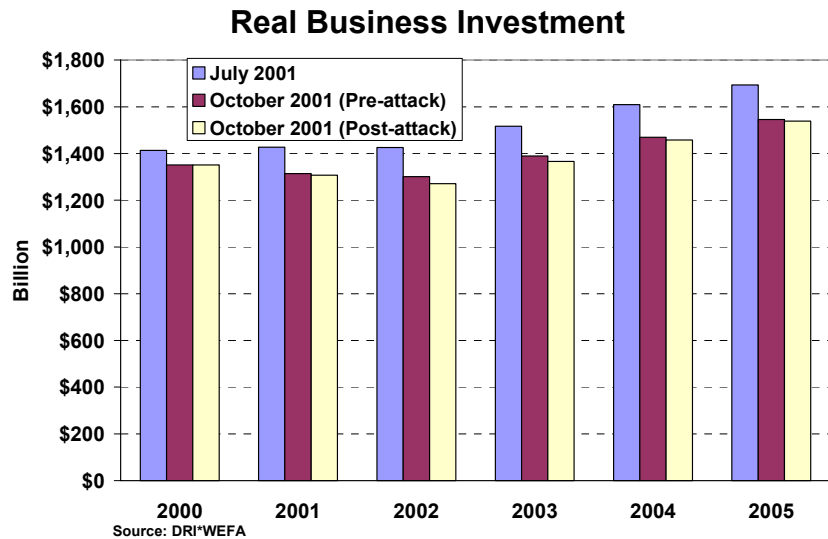


Real consumer spending is the largest single component of GDP, and has recently kept the economy from sliding into a recession. The current outlook for this component of real GDP was lowered compared to July 2001 to reflect the weakening of the consumer sector. Most notably, consumer confidence, after showing remarkable resilience, slid this summer as hiring slowed and the unemployment rate rose. Despite these

deteriorating conditions, real consumer spending in 2001, before the attacks, was revised down just \$22 billion, but this was not enough change to plunge the economy into a recession. It is estimated the attacks caused real consumer spending to drop another \$29 billion, which did push the economy into a recession. As was the case with real GDP, the attacks have their biggest impacts on spending next year. As shown, the attacks will have less of an impact on spending over time.

In the course of a few short years, real business investment has gone from an engine of economic growth to an anchor on the economy. The outlook for this important factor has changed drastically since the attacks. The expectations for 2001 business investment have declined significantly since the July 2001 forecast. However, a close inspection of these projections reveals almost all of this change was made before the attacks. DRI*WEFA reduced its real business investment forecast for 2001 by nearly \$120 billion

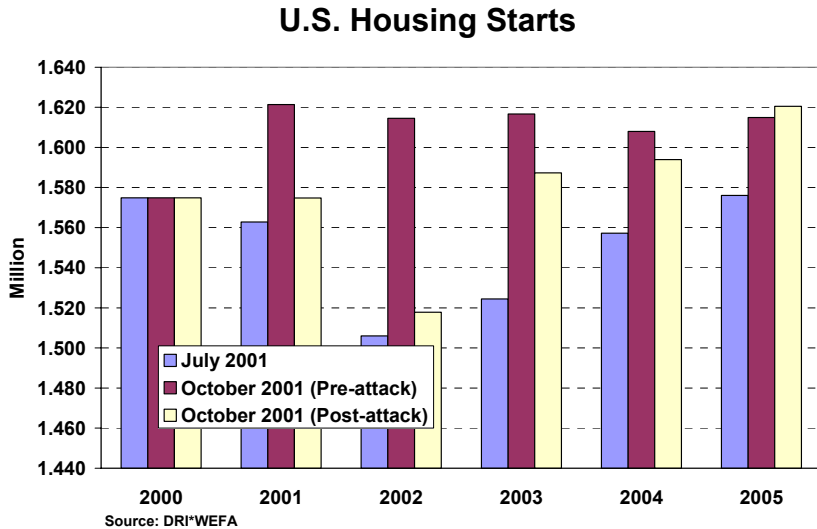
from July to October, but the attacks accounted for just \$6 billion of this drop. The impact increases to \$30 billion in 2002, but this amount is just 20% of the roughly \$150 billion total revision. As is the case with real GDP and real spending, the impacts of the attacks on investment decline after next year.



The terrorists' attacks should exact a heavy toll on employment. Anecdotal evidence for this is found in the rash of layoff announcements soon after the attacks took place. The effects are relatively minor this year, but will be significant next year. National nonfarm employment in 2001 is reduced about 120,000 jobs compared to the pre-attack October 2001 level. The civilian unemployment rate is 0.1 percentage point higher. In 2002, however, the attacks will cost the U.S. an additional 600,000 jobs and the

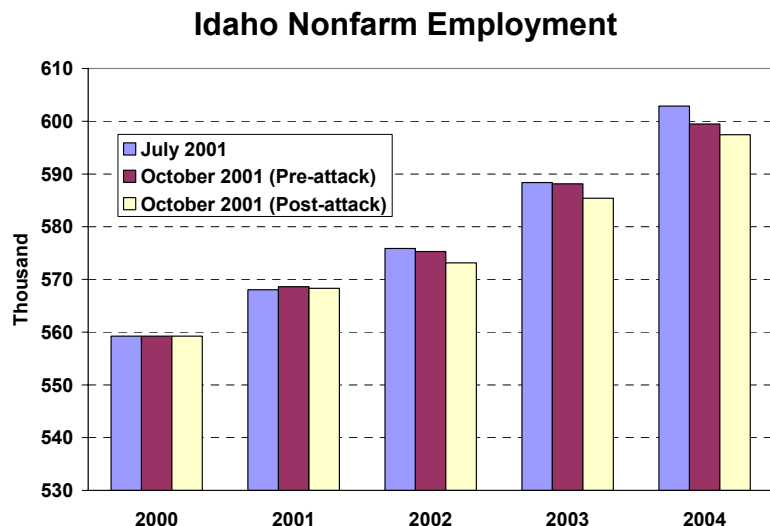
unemployment rate is 0.6 percentage point higher. The pre-attack October 2001 forecast shows 2003 U.S. nonfarm employment actually stronger than had been projected in July. However, in the post-attack October forecast, nonfarm employment takes a year longer to pass its July 2001 counterpart.

So far, all of these measures are lower in the post-attack forecast than in the July 2001 forecast. But this does not hold for all sectors of the economy; housing is a noticeable exception. As the graph shows, U.S. housing starts are actually higher in the post-attack October 2001 forecast than in the July 2001 forecast. However, closer examination of the projection shows the attacks did have a negative impact on housing. DRI*WEFA had raised its expectations for housing from the July 2001 to pre-attack October forecast. This improvement reflected lower forecasted mortgage interest rates caused by the more aggressive loosening by the Federal Reserve. In the post-attack forecast some of this advantage is lost as the positive effects of lower interest rates on housing are offset by eroding consumer confidence. But even after accounting for the attacks, housing is still stronger than had been forecast in July.

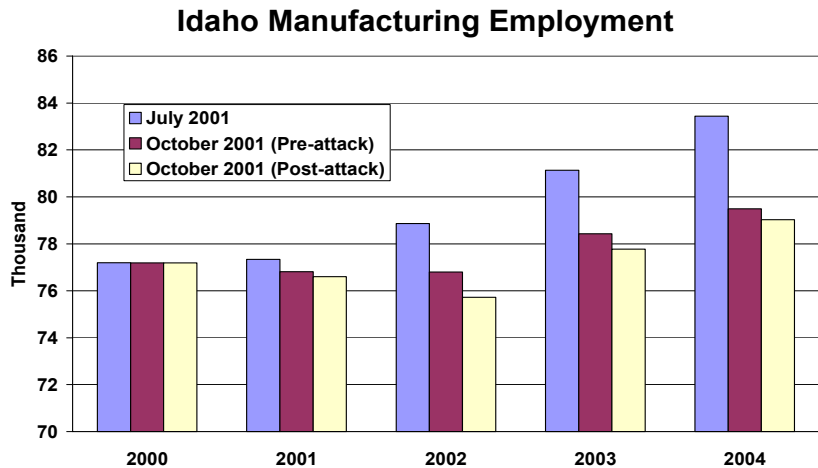


Idaho Economic Impacts

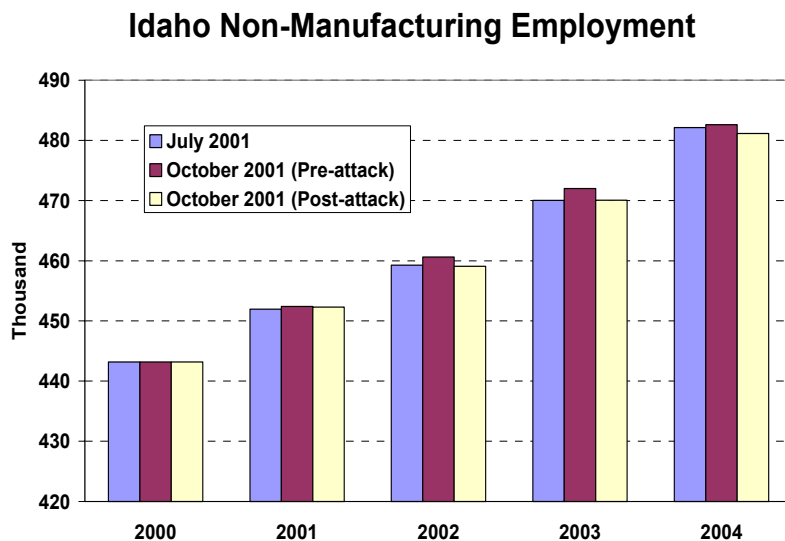
Idaho 2001 nonfarm employment and real personal income forecasts have also been reduced to account for the impacts of the terrorists' attacks. These measures actually improved from the July 2001 to the pre-attack October 2001 forecasts. Idaho nonfarm employment for 2001 in the pre-attack October forecast is 568,627, about 600 more jobs than in the July forecast. The negative impact of the attacks rolls back this advantage to about 300. As was generally the case with the national variables, the impacts of the attacks are most pronounced in 2002. Idaho nonfarm employment is revised down from July's 575,876 to October's 573,128 jobs, with nearly 2,200 of this drop due to the impacts of the attacks. Idaho nonfarm employment is lowered nearly 2,800 jobs in 2003 and about 2,100 jobs in 2004 due to the attacks.



Since Idaho nonfarm employment takes its biggest relative hit in 2002, it makes sense to show how certain employment sectors fare in that year. Last July manufacturing employment was forecast to be 78,864 jobs in 2002. In the post-attack forecast, the Gem State's manufacturing employment is anticipated to be 75,719 jobs in 2002. Of this decrease, about 1,100 are traced to the attacks. Idaho construction is actually 459 jobs higher in the post-attack forecast compared to the July 2001 forecast. Construction employment is the least impacted by the attacks. Its pre-attack and post-attack employment numbers are virtually the same in each year. In 2002, mining employment is 135 jobs higher in the post-attack October forecast than in July's forecast. However, this sector's employment would have been about 150 jobs higher had the attacks not taken place.



Construction employment is the least impacted by the attacks. Its pre-attack and post-attack employment numbers are virtually the same in each year. In 2002, mining employment is 135 jobs higher in the post-attack October forecast than in July's forecast. However, this sector's employment would have been about 150 jobs higher had the attacks not taken place.



As shown on the graphs, Idaho non-manufacturing employment displays the same pattern as manufacturing employment. Namely, it is stronger in the post-attack October 2001 forecast than in the July 2001 forecast, and it would be even stronger had the attacks not taken place. For example, before the attacks Idaho non-manufacturing employment was expected to be 460,594 jobs in 2002. In the July 2001 forecast it was 459,258 jobs for the same period. After the attacks, Idaho non-manufacturing employment is projected to be 459,061 jobs in 2002.

Idaho real personal income also suffers after the attacks. The attacks are estimated to cause it to be down \$207 million next year, \$166 million in 2003, and \$121 million in 2004 compared to the pre-attack October 2001. The table shown displays all of these factors in more detail.

Idaho Economic Impacts of Attacks				
	Year			
	2001	2002	2003	2004
<i>Idaho Nonfarm Employment</i>	(319)	(2,170)	(2,761)	(2,054)
Manufacturing	(210)	(1,077)	(656)	(464)
Construction	0	(5)	2	(40)
Mining	(15)	(184)	(150)	(82)
Non-Manufacturing	(95)	(1,533)	(1,958)	(1,467)
Trade	(45)	(680)	(814)	(588)
Services	(64)	(981)	(1,173)	(847)
<i>Idaho Real Personal Income</i>	(\$34)	(\$207)	(\$166)	(\$121)

Conclusion

The analysis of the terrorists' attacks on the U.S. and Idaho economies reveal three general features. First, assuming the change in the forecasts from July 2001 to October 2001 was caused solely by the attacks overstates the impact because the economy was clearly slowing before the attacks occurred. Second, the major impacts of the attacks on the national economy will be felt in 2002, even though the attacks took place in 2001. Had they occurred earlier in the year, 2001 would have experienced a larger impact. Idaho should feel the major employment impacts in 2003. Third, after 2002 the impacts of the attacks begin to dissipate. Indeed, as time passes, the pre-attack October 2001 and post-attack October 2001 economic forecasts virtually converge.

IDAHO ECONOMIC FORECAST

OCTOBER 2001

FORECAST DETAIL

Annual Forecast 1986-2005 Page 32

Quarterly Forecast 1999-2004..... Page 46

Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by DRI*WEFA and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2001

DEMOGRAPHICS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
POPULATION										
Idaho (Thousands)	990.5	986.6	988.5	996.7	1,010.7	1,037.5	1,068.1	1,098.4	1,131.0	1,159.9
% Ch	-0.3%	-0.4%	0.2%	0.8%	1.4%	2.6%	3.0%	2.8%	3.0%	2.6%
National (Millions)	240.9	243.1	245.3	247.7	250.3	253.0	255.7	258.4	260.9	263.4
% Ch	0.9%	0.9%	0.9%	1.0%	1.1%	1.1%	1.1%	1.0%	1.0%	0.9%
BIRTHS										
Idaho (Thousands)	16.4235	15.905	15.759	15.863	16.423	16.741	17.197	17.575	17.690	17.915
% Ch	-6.4%	-3.2%	-0.9%	0.7%	3.5%	1.9%	2.7%	2.2%	0.7%	1.3%
National (Thousands)	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0	3,964.0	3,935.0
% Ch	-0.1%	1.4%	2.7%	3.4%	2.9%	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%
DEATHS										
Idaho (Thousands)	7.345	7.307	7.611	7.389	7.358	7.644	7.887	8.277	8.478	8.553
% Ch	3.4%	-0.5%	4.2%	-2.9%	-0.4%	3.9%	3.2%	4.9%	2.4%	0.9%
National (Thousands)	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0	2,264.0	2,291.0
% Ch	0.9%	0.9%	2.1%	-0.8%	0.6%	0.0%	2.2%	1.2%	1.2%	1.2%
NET MIGRATION										
Idaho (Thousands)	-12.390	-12.541	-6.249	-0.251	4.984	17.628	21.365	20.977	23.411	19.563
HOUSING										
HOUSING STARTS										
Idaho	4,164	3,409	3,334	4,674	5,832	6,600	9,584	11,457	12,766	9,360
% Ch	-4.0%	-18.1%	-2.2%	40.2%	24.8%	13.2%	45.2%	19.5%	11.4%	-26.7%
National (Millions)	1.812	1.631	1.488	1.382	1.203	1.009	1.201	1.292	1.446	1.361
% Ch	4.0%	-10.0%	-8.7%	-7.1%	-12.9%	-16.2%	19.1%	7.5%	12.0%	-5.9%
SINGLE UNITS										
Idaho	3,157	2,744	2,981	3,711	4,786	5,662	7,900	8,939	9,420	7,281
% Ch	-1.7%	-13.1%	8.6%	24.5%	29.0%	18.3%	39.5%	13.1%	5.4%	-22.7%
National (Millions)	1.182	1.154	1.083	1.006	0.901	0.835	1.032	1.131	1.191	1.082
% Ch	10.4%	-2.4%	-6.2%	-7.1%	-10.5%	-7.3%	23.6%	9.6%	5.4%	-9.2%
MULTIPLE UNITS										
Idaho	1,007	665	353	963	1,046	938	1,684	2,518	3,346	2,079
% Ch	-10.5%	-33.9%	-47.0%	173.2%	8.6%	-10.3%	79.6%	49.5%	32.9%	-37.9%
National (Millions)	0.630	0.476	0.405	0.376	0.303	0.174	0.170	0.161	0.255	0.279
% Ch	-6.1%	-24.3%	-15.0%	-7.2%	-19.5%	-42.6%	-2.4%	-5.1%	58.3%	9.4%
HOUSING STOCK										
Idaho (Thousands)	322.1	324.8	327.1	330.1	334.8	339.8	347.4	356.9	368.7	377.8
% Ch	1.1%	0.8%	0.7%	0.9%	1.4%	1.5%	2.2%	2.7%	3.3%	2.4%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2001

DEMOGRAPHICS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
POPULATION										
Idaho (Thousands)	1,186.7	1,211.0	1,231.0	1,251.8	1,273.1	1,292.9	1,308.9	1,323.9	1,337.9	1,351.3
% Ch	2.3%	2.0%	1.7%	1.7%	1.7%	1.6%	1.2%	1.1%	1.1%	1.0%
National (Millions)	265.8	268.4	270.8	273.2	275.7	278.2	280.7	283.2	285.6	288.1
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS										
Idaho (Thousands)	18.482	18.599	19.188	19.897	20.292	20.681	20.840	20.962	21.047	21.107
% Ch	3.2%	0.6%	3.2%	3.7%	2.0%	1.9%	0.8%	0.6%	0.4%	0.3%
National (Thousands)	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0	3,925.0	3,955.0
% Ch	-0.6%	-0.5%	-0.3%	-0.2%	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%
DEATHS										
Idaho (Thousands)	8.679	8.953	9.105	9.488	9.488	9.643	9.776	9.903	10.025	10.142
% Ch	1.5%	3.2%	1.7%	4.2%	0.0%	1.6%	1.4%	1.3%	1.2%	1.2%
National (Thousands)	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0	2,507.0	2,528.0
% Ch	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
NET MIGRATION										
Idaho (Thousands)	16.982	14.572	9.966	10.416	10.515	8.733	4.917	3.915	2.985	2.491
HOUSING										
HOUSING STARTS										
Idaho	9,222	8,860	10,117	10,332	11,536	11,794	10,629	9,964	10,053	10,212
% Ch	-1.5%	-3.9%	14.2%	2.1%	11.7%	2.2%	-9.9%	-6.3%	0.9%	1.6%
National (Millions)	1.469	1.475	1.621	1.647	1.575	1.575	1.518	1.587	1.594	1.621
% Ch	7.9%	0.4%	9.9%	1.6%	-4.4%	0.0%	-3.6%	4.6%	0.4%	1.7%
SINGLE UNITS										
Idaho	7,849	7,658	9,041	9,192	10,378	10,217	9,593	9,188	9,384	9,449
% Ch	7.8%	-2.4%	18.1%	1.7%	12.9%	-1.6%	-6.1%	-4.2%	2.1%	0.7%
National (Millions)	1.154	1.136	1.278	1.306	1.233	1.257	1.239	1.266	1.269	1.297
% Ch	6.7%	-1.6%	12.4%	2.2%	-5.6%	1.9%	-1.5%	2.2%	0.3%	2.2%
MULTIPLE UNITS										
Idaho	1,372	1,202	1,077	1,140	1,158	1,577	1,037	777	670	763
% Ch	-34.0%	-12.4%	-10.4%	5.9%	1.6%	36.2%	-34.3%	-25.1%	-13.8%	14.0%
National (Millions)	0.314	0.338	0.344	0.341	0.342	0.318	0.279	0.321	0.325	0.323
% Ch	12.7%	7.6%	1.6%	-0.7%	0.1%	-7.0%	-12.1%	15.1%	1.1%	-0.5%
HOUSING STOCK										
Idaho (Thousands)	386.2	393.7	402.3	411.3	421.2	431.8	441.4	450.2	458.9	467.6
% Ch	2.2%	1.9%	2.2%	2.2%	2.4%	2.5%	2.2%	2.0%	1.9%	1.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2001

OUTPUT, INCOME, & WAGES

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GROSS DOM. PRODUCT (Billions)										
Current Dollars	4,453	4,742	5,108	5,489	5,803	5,986	6,319	6,642	7,054	7,401
% Ch	5.7%	6.5%	7.7%	7.5%	5.7%	3.2%	5.6%	5.1%	6.2%	4.9%
1996 Chain-Weighted	5,912	6,113	6,368	6,592	6,708	6,676	6,880	7,063	7,348	7,544
% Ch	3.4%	3.4%	4.2%	3.5%	1.8%	-0.5%	3.1%	2.7%	4.0%	2.7%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	11,851	12,422	13,354	14,721	16,055	16,825	18,382	20,105	21,399	22,869
% Ch	2.4%	4.8%	7.5%	10.2%	9.1%	4.8%	9.3%	9.4%	6.4%	6.9%
Idaho Nonfarm (Millions)	11,377	11,838	12,722	13,863	15,081	16,026	17,581	19,040	20,706	22,073
% Ch	2.3%	4.1%	7.5%	9.0%	8.8%	6.3%	9.7%	8.3%	8.7%	6.6%
National (Billions)	3,712	3,963	4,272	4,600	4,903	5,085	5,390	5,610	5,888	6,201
% Ch	5.6%	6.7%	7.8%	7.7%	6.6%	3.7%	6.0%	4.1%	5.0%	5.3%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	16,296	16,453	17,022	17,982	18,749	18,923	20,061	21,431	22,357	23,360
% Ch	-0.1%	1.0%	3.5%	5.6%	4.3%	0.9%	6.0%	6.8%	4.3%	4.5%
Idaho Nonfarm (Millions)	15,645	15,680	16,217	16,934	17,610	18,024	19,187	20,296	21,632	22,546
% Ch	-0.1%	0.2%	3.4%	4.4%	4.0%	2.4%	6.5%	5.8%	6.6%	4.2%
National (Billions)	5,105	5,249	5,447	5,619	5,726	5,720	5,883	5,980	6,152	6,334
% Ch	3.1%	2.8%	3.8%	3.2%	1.9%	-0.1%	2.9%	1.7%	2.9%	3.0%
PER CAPITA PERS INC - CURR \$										
Idaho	11,965	12,591	13,510	14,769	15,884	16,217	17,208	18,302	18,918	19,715
% Ch	2.7%	5.2%	7.3%	9.3%	7.5%	2.1%	6.1%	6.4%	3.4%	4.2%
National	15,410	16,301	17,414	18,571	19,588	20,099	21,077	21,709	22,565	23,543
% Ch	4.7%	5.8%	6.8%	6.6%	5.5%	2.6%	4.9%	3.0%	3.9%	4.3%
PER CAPITA PERS INC - 1996 \$										
Idaho	16,453	16,677	17,221	18,041	18,551	18,240	18,781	19,510	19,766	20,138
% Ch	0.3%	1.4%	3.3%	4.8%	2.8%	-1.7%	3.0%	3.9%	1.3%	1.9%
National	21,191	21,592	22,203	22,687	22,876	22,606	23,004	23,142	23,577	24,049
% Ch	2.2%	1.9%	2.8%	2.2%	0.8%	-1.2%	1.8%	0.6%	1.9%	2.0%
AVERAGE ANNUAL WAGE										
Idaho	17,183	17,620	18,337	18,893	19,760	20,556	21,477	21,962	22,723	23,620
% Ch	3.2%	2.5%	4.1%	3.0%	4.6%	4.0%	4.5%	2.3%	3.5%	3.9%
National	21,283	22,267	23,314	24,070	25,178	26,089	27,466	27,872	28,358	29,224
% Ch	3.9%	4.6%	4.7%	3.2%	4.6%	3.6%	5.3%	1.5%	1.7%	3.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

OCTOBER 2001

OUTPUT, INCOME, & WAGES

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GROSS DOM. PRODUCT (Billions)										
Current Dollars	7,813	8,318	8,782	9,269	9,873	10,202	10,584	11,262	11,837	12,486
% Ch	5.6%	6.5%	5.6%	5.5%	6.5%	3.3%	3.7%	6.4%	5.1%	5.5%
1996 Chain-Weighted	7,813	8,159	8,509	8,857	9,224	9,325	9,473	9,855	10,132	10,460
% Ch	3.6%	4.4%	4.3%	4.1%	4.1%	1.1%	1.6%	4.0%	2.8%	3.2%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	26,984	28,627	31,289	32,666	34,097	36,276	38,298	40,530
% Ch	5.7%	4.4%	7.0%	6.1%	9.3%	4.4%	4.4%	6.4%	5.6%	5.8%
Idaho Nonfarm (Millions)	23,298	24,557	26,092	27,686	30,170	31,575	32,986	35,152	37,165	39,388
% Ch	5.6%	5.4%	6.2%	6.1%	9.0%	4.7%	4.5%	6.6%	5.7%	6.0%
National (Billions)	6,547	6,937	7,426	7,777	8,319	8,747	9,046	9,583	10,068	10,589
% Ch	5.6%	6.0%	7.0%	4.7%	7.0%	5.1%	3.4%	5.9%	5.1%	5.2%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,189	27,334	29,098	29,747	30,458	31,681	32,694	33,830
% Ch	3.5%	2.4%	5.8%	4.4%	6.5%	2.2%	2.4%	4.0%	3.2%	3.5%
Idaho Nonfarm (Millions)	23,297	24,088	25,323	26,435	28,058	28,754	29,464	30,700	31,727	32,877
% Ch	3.3%	3.4%	5.1%	4.4%	6.1%	2.5%	2.5%	4.2%	3.3%	3.6%
National (Billions)	6,547	6,805	7,208	7,427	7,737	7,966	8,081	8,369	8,595	8,839
% Ch	3.4%	3.9%	5.9%	3.0%	4.2%	3.0%	1.4%	3.6%	2.7%	2.8%
PER CAPITA PERS INC - CURR \$										
Idaho	20,369	20,831	21,919	22,866	24,575	25,265	26,050	27,400	28,625	29,991
% Ch	3.3%	2.3%	5.2%	4.3%	7.5%	2.8%	3.1%	5.2%	4.5%	4.8%
National	24,630	25,851	27,421	28,462	30,176	31,443	32,229	33,841	35,246	36,754
% Ch	4.6%	5.0%	6.1%	3.8%	6.0%	4.2%	2.5%	5.0%	4.2%	4.3%
PER CAPITA PERS INC - 1996 \$										
Idaho	20,369	20,433	21,274	21,834	22,855	23,008	23,269	23,930	24,437	25,034
% Ch	1.1%	0.3%	4.1%	2.6%	4.7%	0.7%	1.1%	2.8%	2.1%	2.4%
National	24,630	25,358	26,615	27,180	28,065	28,635	28,789	29,556	30,090	30,680
% Ch	2.4%	3.0%	5.0%	2.1%	3.3%	2.0%	0.5%	2.7%	1.8%	2.0%
AVERAGE ANNUAL WAGE										
Idaho	24,110	24,811	25,827	26,943	29,018	30,074	31,360	32,744	34,132	35,528
% Ch	2.1%	2.9%	4.1%	4.3%	7.7%	3.6%	4.3%	4.4%	4.2%	4.1%
National	30,325	31,701	33,317	34,695	36,713	38,620	40,018	41,756	43,311	44,801
% Ch	3.8%	4.5%	5.1%	4.1%	5.8%	5.2%	3.6%	4.3%	3.7%	3.4%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

PERSONAL INCOME -- CURR \$\$

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	5,930	6,171	6,704	7,247	7,971	8,533	9,307	9,991	10,916	11,725
% Ch	0.8%	4.1%	8.6%	8.1%	10.0%	7.1%	9.1%	7.3%	9.3%	7.4%
National (Billions)	2,114	2,270	2,453	2,597	2,755	2,824	2,983	3,085	3,237	3,425
% Ch	6.0%	7.4%	8.0%	5.9%	6.1%	2.5%	5.6%	3.4%	4.9%	5.8%
FARM PROPRIETORS INCOME										
Idaho (Millions)	331	443	471	683	771	601	603	839	410	496
% Ch	9.0%	33.9%	6.4%	45.1%	12.8%	-22.1%	0.3%	39.3%	-51.2%	21.1%
National (Billions)	23	29	26	32	31	26	33	30	32	22
% Ch	6.8%	26.1%	-10.2%	23.3%	-3.0%	-15.3%	23.9%	-7.8%	6.0%	-30.5%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	1,171	1,249	1,368	1,483	1,563	1,515	1,833	2,139	2,342	2,264
% Ch	3.8%	6.7%	9.5%	8.4%	5.4%	-3.1%	21.0%	16.7%	9.5%	-3.3%
National (Billions)	256	275	313	330	350	358	402	432	445	476
% Ch	4.1%	7.5%	13.8%	5.4%	6.1%	2.3%	12.3%	7.5%	3.0%	6.9%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	2,393	2,444	2,587	2,912	3,122	3,254	3,367	3,554	3,925	4,377
% Ch	2.3%	2.1%	5.9%	12.5%	7.2%	4.3%	3.5%	5.6%	10.4%	11.5%
National (Billions)	718	758	824	932	987	1,006	999	1,019	1,087	1,164
% Ch	5.1%	5.6%	8.8%	13.1%	5.9%	2.0%	-0.8%	2.1%	6.7%	7.1%
OTHER LABOR INCOME										
Idaho (Millions)	838	888	943	1,029	1,143	1,265	1,415	1,591	1,725	1,714
% Ch	2.5%	6.0%	6.2%	9.1%	11.2%	10.7%	11.8%	12.5%	8.4%	-0.6%
National (Billions)	298	319	336	361	390	416	450	483	507	497
% Ch	5.7%	6.9%	5.4%	7.1%	8.2%	6.6%	8.2%	7.4%	5.1%	-2.1%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,522	1,572	1,680	1,812	1,972	2,192	2,442	2,626	2,777	3,012
% Ch	5.7%	3.3%	6.9%	7.9%	8.8%	11.2%	11.4%	7.5%	5.8%	8.5%
National (Billions)	449	469	497	540	594	670	752	799	834	886
% Ch	6.7%	4.4%	6.0%	8.7%	10.0%	12.7%	12.2%	6.2%	4.4%	6.2%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	434	454	525	587	641	704	756	817	900	949
% Ch	4.1%	4.5%	15.7%	11.8%	9.2%	9.8%	7.5%	8.0%	10.2%	5.5%
National (Billions)	146	157	177	192	204	215	227	238	254	269
% Ch	8.9%	7.8%	12.8%	8.3%	6.3%	5.6%	5.3%	5.0%	6.8%	5.8%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	101	110	127	142	154	169	173	183	204	230
% Ch	18.4%	8.9%	14.7%	12.3%	8.6%	9.2%	2.8%	5.3%	11.8%	12.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

PERSONAL INCOME -- CURR \$\$

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	12,316	13,109	13,973	15,030	16,751	17,653	18,550	19,756	20,994	22,311
% Ch	5.0%	6.4%	6.6%	7.6%	11.5%	5.4%	5.1%	6.5%	6.3%	6.3%
National (Billions)	3,627	3,889	4,193	4,472	4,837	5,112	5,301	5,612	5,912	6,219
% Ch	5.9%	7.2%	7.8%	6.7%	8.2%	5.7%	3.7%	5.9%	5.4%	5.2%
FARM PROPRIETORS INCOME										
Idaho (Millions)	585	344	557	611	773	712	728	736	737	736
% Ch	17.9%	-41.1%	61.8%	9.8%	26.4%	-7.8%	2.3%	1.1%	0.1%	-0.1%
National (Billions)	34	30	26	27	31	31	32	32	34	35
% Ch	54.4%	-13.3%	-13.9%	3.8%	15.1%	1.4%	2.7%	1.9%	3.7%	4.3%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,337	2,408	2,601	2,818	2,967	3,033	3,255	3,483	3,635	3,833
% Ch	3.2%	3.0%	8.0%	8.3%	5.3%	2.3%	7.3%	7.0%	4.3%	5.5%
National (Billions)	511	551	598	645	684	717	767	819	853	899
% Ch	7.4%	8.0%	8.5%	7.9%	6.0%	4.8%	6.9%	6.8%	4.2%	5.3%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	4,650	5,044	5,362	5,498	5,859	5,978	5,926	6,330	6,603	6,922
% Ch	6.2%	8.5%	6.3%	2.5%	6.6%	2.0%	-0.9%	6.8%	4.3%	4.8%
National (Billions)	1,238	1,327	1,451	1,441	1,521	1,558	1,536	1,632	1,696	1,769
% Ch	6.3%	7.2%	9.4%	-0.7%	5.6%	2.4%	-1.4%	6.2%	3.9%	4.3%
OTHER LABOR INCOME										
Idaho (Millions)	1,728	1,681	1,722	1,796	1,935	2,007	2,091	2,203	2,323	2,475
% Ch	0.8%	-2.7%	2.4%	4.3%	7.7%	3.7%	4.2%	5.3%	5.5%	6.5%
National (Billions)	490	475	491	510	534	554	568	594	620	653
% Ch	-1.4%	-3.0%	3.2%	3.9%	4.8%	3.7%	2.6%	4.5%	4.4%	5.3%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	3,285	3,394	3,537	3,672	3,907	4,230	4,526	4,797	5,087	5,388
% Ch	9.1%	3.3%	4.2%	3.8%	6.4%	8.3%	7.0%	6.0%	6.1%	5.9%
National (Billions)	929	962	984	1,020	1,069	1,149	1,227	1,300	1,379	1,462
% Ch	4.8%	3.6%	2.2%	3.6%	4.9%	7.5%	6.7%	6.0%	6.1%	6.0%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	987	1,045	1,099	1,188	1,307	1,371	1,429	1,514	1,602	1,694
% Ch	4.0%	5.8%	5.2%	8.2%	10.0%	4.9%	4.2%	6.0%	5.8%	5.8%
National (Billions)	280	298	316	337	358	374	385	407	427	448
% Ch	4.3%	6.2%	6.2%	6.6%	6.1%	4.5%	3.0%	5.6%	5.0%	4.9%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	260	292	332	391	405	423	449	484	519	557
% Ch	12.9%	12.3%	13.7%	17.6%	3.6%	4.7%	6.1%	7.7%	7.3%	7.3%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2001

EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
TOTAL NONFARM EMPLOYMENT										
Idaho	328,271	333,449	348,268	366,016	385,332	398,118	416,605	436,735	461,163	477,374
% Ch	-2.3%	1.6%	4.4%	5.1%	5.3%	3.3%	4.6%	4.8%	5.6%	3.5%
National (Thousands)	99,344	101,953	105,202	107,883	109,404	108,255	108,591	110,692	114,135	117,188
% Ch	2.0%	2.6%	3.2%	2.5%	1.4%	-1.1%	0.3%	1.9%	3.1%	2.7%
GOODS PRODUCING SECTOR										
Idaho	69,608	70,345	75,624	80,312	85,478	86,521	90,496	96,082	103,291	103,405
% Ch	-5.4%	1.1%	7.5%	6.2%	6.4%	1.2%	4.6%	6.2%	7.5%	0.1%
National (Thousands)	24,536	24,673	25,123	25,253	24,909	23,749	23,232	23,351	23,906	24,275
% Ch	-1.2%	0.6%	1.8%	0.5%	-1.4%	-4.7%	-2.2%	0.5%	2.4%	1.5%
MANUFACTURING										
Idaho	52,103	54,056	58,139	60,572	62,889	63,219	65,752	69,252	71,888	71,045
% Ch	-4.7%	3.7%	7.6%	4.2%	3.8%	0.5%	4.0%	5.3%	3.8%	-1.2%
National (Thousands)	18,948	18,998	19,315	19,391	19,075	18,405	18,106	18,076	18,323	18,526
% Ch	-1.6%	0.3%	1.7%	0.4%	-1.6%	-3.5%	-1.6%	-0.2%	1.4%	1.1%
DURABLE MANUFACTURING										
Idaho	25,524	26,831	29,560	32,176	34,065	33,144	34,793	37,497	40,636	42,131
% Ch	-4.6%	5.1%	10.2%	8.9%	5.9%	-2.7%	5.0%	7.8%	8.4%	3.7%
National (Thousands)	11,195	11,154	11,363	11,394	11,107	10,568	10,279	10,222	10,448	10,684
% Ch	-2.3%	-0.4%	1.9%	0.3%	-2.5%	-4.9%	-2.7%	-0.6%	2.2%	2.3%
LUMBER & WOOD PRODUCTS										
Idaho	13,240	13,379	13,984	14,747	14,897	13,470	14,004	14,408	15,522	14,796
% Ch	-2.0%	1.1%	4.5%	5.5%	1.0%	-9.6%	4.0%	2.9%	7.7%	-4.7%
National (Thousands)	724	754	768	757	733	675	680	709	754	769
% Ch	1.8%	4.1%	1.8%	-1.4%	-3.1%	-7.9%	0.7%	4.3%	6.3%	2.0%
STONE, CLAY, GLASS, etc.										
Idaho	2,761	2,804	2,878	3,276	3,387	3,291	3,199	3,364	3,853	4,220
% Ch	-0.8%	1.6%	2.7%	13.8%	3.4%	-2.8%	-2.8%	5.2%	14.5%	9.5%
National (Thousands)	1,977	1,954	1,996	2,014	1,975	1,877	1,843	1,856	1,920	1,977
% Ch	-2.2%	-1.2%	2.2%	0.9%	-1.9%	-5.0%	-1.8%	0.7%	3.4%	3.0%
ELEC & NONELEC MACH										
Idaho	7,652	8,422	9,577	11,096	12,596	13,197	14,476	16,271	17,114	18,192
% Ch	-10.3%	10.1%	13.7%	15.9%	13.5%	4.8%	9.7%	12.4%	5.2%	6.3%
National (Thousands)	3,864	3,777	3,853	3,869	3,768	3,591	3,457	3,456	3,560	3,692
% Ch	-4.7%	-2.2%	2.0%	0.4%	-2.6%	-4.7%	-3.7%	0.0%	3.0%	3.7%
OTHER DURABLES										
Idaho	1,871	2,226	3,121	3,057	3,185	3,186	3,115	3,454	4,147	4,923
% Ch	-3.6%	19.0%	40.2%	-2.0%	4.2%	0.0%	-2.2%	10.9%	20.1%	18.7%
National (Thousands)	4,631	4,669	4,747	4,755	4,632	4,426	4,299	4,200	4,214	4,246
% Ch	-0.9%	0.8%	1.7%	0.2%	-2.6%	-4.4%	-2.9%	-2.3%	0.3%	0.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL NONFARM EMPLOYMENT										
Idaho	492,561	508,747	521,535	539,109	559,231	568,308	573,128	585,373	597,434	610,500
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.6%	0.8%	2.1%	2.1%	2.2%
National (Thousands)	119,589	122,676	125,845	128,901	131,757	132,357	132,464	134,396	136,509	138,810
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.5%	0.1%	1.5%	1.6%	1.7%
GOODS PRODUCING SECTOR										
Idaho	106,566	109,909	111,248	113,561	116,058	116,016	114,067	115,336	116,285	118,458
% Ch	3.1%	3.1%	1.2%	2.1%	2.2%	0.0%	-1.7%	1.1%	0.8%	1.9%
National (Thousands)	24,491	24,960	25,414	25,507	25,713	25,147	24,354	24,511	24,640	24,756
% Ch	0.9%	1.9%	1.8%	0.4%	0.8%	-2.2%	-3.2%	0.6%	0.5%	0.5%
MANUFACTURING										
Idaho	72,906	74,610	76,120	76,128	77,189	76,598	75,719	77,771	79,026	80,682
% Ch	2.6%	2.3%	2.0%	0.0%	1.4%	-0.8%	-1.1%	2.7%	1.6%	2.1%
National (Thousands)	18,494	18,672	18,805	18,555	18,470	17,748	17,123	17,313	17,418	17,498
% Ch	-0.2%	1.0%	0.7%	-1.3%	-0.5%	-3.9%	-3.5%	1.1%	0.6%	0.5%
DURABLE MANUFACTURING										
Idaho	44,069	45,535	47,174	47,139	47,935	47,544	46,994	48,532	49,489	50,910
% Ch	4.6%	3.3%	3.6%	-0.1%	1.7%	-0.8%	-1.2%	3.3%	2.0%	2.9%
National (Thousands)	10,788	11,009	11,206	11,112	11,138	10,683	10,198	10,272	10,356	10,481
% Ch	1.0%	2.0%	1.8%	-0.8%	0.2%	-4.1%	-4.5%	0.7%	0.8%	1.2%
LUMBER & WOOD PRODUCTS										
Idaho	14,446	14,242	13,735	13,404	12,626	11,503	10,725	10,527	10,028	9,525
% Ch	-2.4%	-1.4%	-3.6%	-2.4%	-5.8%	-8.9%	-6.8%	-1.8%	-4.7%	-5.0%
National (Thousands)	778	796	814	835	832	796	803	865	897	907
% Ch	1.1%	2.3%	2.2%	2.6%	-0.3%	-4.3%	0.9%	7.7%	3.7%	1.0%
STONE, CLAY, GLASS, etc.										
Idaho	4,340	4,415	4,335	4,529	4,484	4,387	4,080	3,943	3,843	3,759
% Ch	2.8%	1.7%	-1.8%	4.5%	-1.0%	-2.2%	-7.0%	-3.4%	-2.5%	-2.2%
National (Thousands)	1,992	2,031	2,071	2,088	2,116	2,055	1,961	1,950	1,966	1,953
% Ch	0.8%	1.9%	2.0%	0.8%	1.3%	-2.9%	-4.6%	-0.5%	0.8%	-0.7%
ELEC & NONELEC MACH										
Idaho	20,265	21,581	23,306	23,149	24,667	25,679	25,984	27,545	29,158	31,141
% Ch	11.4%	6.5%	8.0%	-0.7%	6.6%	4.1%	1.2%	6.0%	5.9%	6.8%
National (Thousands)	3,775	3,857	3,914	3,808	3,839	3,640	3,412	3,356	3,353	3,486
% Ch	2.2%	2.2%	1.5%	-2.7%	0.8%	-5.2%	-6.3%	-1.7%	-0.1%	4.0%
OTHER DURABLES										
Idaho	5,018	5,297	5,798	6,058	6,158	5,975	6,205	6,517	6,461	6,485
% Ch	1.9%	5.6%	9.5%	4.5%	1.7%	-3.0%	3.9%	5.0%	-0.9%	0.4%
National (Thousands)	4,243	4,325	4,408	4,382	4,351	4,192	4,023	4,101	4,139	4,135
% Ch	-0.1%	1.9%	1.9%	-0.6%	-0.7%	-3.7%	-4.0%	1.9%	0.9%	-0.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2001

EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	26,579	27,225	28,579	28,396	28,824	30,075	30,958	31,755	31,252	28,914
% Ch	-4.7%	2.4%	5.0%	-0.6%	1.5%	4.3%	2.9%	2.6%	-1.6%	-7.5%
National (Thousands)	7,753	7,845	7,952	7,997	7,968	7,837	7,827	7,854	7,875	7,842
% Ch	-0.5%	1.2%	1.4%	0.6%	-0.4%	-1.6%	-0.1%	0.4%	0.3%	-0.4%
FOOD PROCESSING										
Idaho	15,412	16,099	17,336	16,984	16,805	17,487	17,819	18,565	18,020	17,507
% Ch	-7.0%	4.5%	7.7%	-2.0%	-1.1%	4.1%	1.9%	4.2%	-2.9%	-2.9%
National (Thousands)	1,607	1,617	1,626	1,645	1,661	1,667	1,662	1,680	1,679	1,693
% Ch	0.4%	0.6%	0.6%	1.1%	1.0%	0.4%	-0.3%	1.1%	-0.1%	0.8%
CANNED, CURED, & FROZEN										
Idaho	9,867	10,612	11,331	11,225	11,065	11,747	12,094	12,532	11,706	10,865
% Ch	-9.8%	7.5%	6.8%	-0.9%	-1.4%	6.2%	3.0%	3.6%	-6.6%	-7.2%
OTHER FOOD PROCESSING										
Idaho	5,544	5,487	6,004	5,759	5,740	5,740	5,725	6,033	6,315	6,642
% Ch	-1.7%	-1.0%	9.4%	-4.1%	-0.3%	0.0%	-0.3%	5.4%	4.7%	5.2%
PAPER, PRINTING, PUBLISH.										
Idaho	5,946	6,067	6,373	6,592	6,976	7,179	7,172	7,145	7,089	7,118
% Ch	-0.6%	2.0%	5.0%	3.4%	5.8%	2.9%	-0.1%	-0.4%	-0.8%	0.4%
National (Thousands)	2,123	2,177	2,232	2,251	2,266	2,223	2,197	2,209	2,230	2,239
% Ch	1.2%	2.5%	2.5%	0.9%	0.6%	-1.9%	-1.2%	0.5%	0.9%	0.4%
CHEMICALS										
Idaho	3,335	3,273	3,536	3,523	3,554	3,903	4,277	4,250	4,135	2,345
% Ch	-6.6%	-1.9%	8.0%	-0.3%	0.9%	9.8%	9.6%	-0.6%	-2.7%	-43.3%
National (Thousands)	1,021	1,025	1,057	1,074	1,086	1,076	1,084	1,081	1,057	1,038
% Ch	-2.2%	0.4%	3.2%	1.6%	1.1%	-0.9%	0.8%	-0.3%	-2.2%	-1.8%
OTHER NONDURABLES										
Idaho	1,886	1,786	1,335	1,297	1,488	1,505	1,690	1,795	2,008	1,944
% Ch	6.9%	-5.3%	-25.3%	-2.8%	14.8%	1.1%	12.3%	6.2%	11.9%	-3.2%
National (Thousands)	3,002	3,026	3,037	3,027	2,955	2,871	2,883	2,885	2,910	2,872
% Ch	-1.6%	0.8%	0.3%	-0.3%	-2.4%	-2.9%	0.4%	0.1%	0.9%	-1.3%
MINING										
Idaho	2,893	2,568	3,280	3,673	3,873	3,086	2,605	2,199	2,419	2,726
%Ch	-24.9%	-11.2%	27.7%	12.0%	5.4%	-20.3%	-15.6%	-15.6%	10.0%	12.7%
National (Thousands)	777	717	712	691	709	689	634	609	601	581
%Ch	-16.1%	-7.7%	-0.7%	-3.0%	2.6%	-2.8%	-8.0%	-3.9%	-1.5%	-3.3%
METAL MINING										
Idaho	1,919	1,595	2,140	2,612	2,754	1,994	1,453	1,007	1,211	1,593
%Ch	-26.2%	-16.9%	34.2%	22.1%	5.5%	-27.6%	-27.1%	-30.7%	20.2%	31.6%
OTHER MINING										
Idaho	973	973	1,140	1,061	1,119	1,092	1,152	1,192	1,208	1,133
% Ch	-22.3%	0.0%	17.2%	-6.9%	5.4%	-2.4%	5.5%	3.5%	1.4%	-6.2%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	28,837	29,076	28,946	28,989	29,254	29,054	28,725	29,240	29,537	29,772
% Ch	-0.3%	0.8%	-0.4%	0.1%	0.9%	-0.7%	-1.1%	1.8%	1.0%	0.8%
National (Thousands)	7,706	7,664	7,599	7,443	7,331	7,065	6,924	7,041	7,062	7,017
% Ch	-1.7%	-0.5%	-0.8%	-2.1%	-1.5%	-3.6%	-2.0%	1.7%	0.3%	-0.7%
FOOD PROCESSING										
Idaho	17,465	17,659	17,287	17,291	17,252	17,225	17,385	17,458	17,379	17,406
% Ch	-0.2%	1.1%	-2.1%	0.0%	-0.2%	-0.2%	0.9%	0.4%	-0.5%	0.2%
National (Thousands)	1,692	1,685	1,683	1,683	1,685	1,681	1,663	1,662	1,669	1,668
% Ch	0.0%	-0.4%	-0.1%	0.0%	0.1%	-0.3%	-1.1%	0.0%	0.4%	0.0%
CANNED, CURED, & FROZEN										
Idaho	10,680	10,551	9,994	9,957	9,769	9,506	9,625	9,732	9,813	9,891
% Ch	-1.7%	-1.2%	-5.3%	-0.4%	-1.9%	-2.7%	1.3%	1.1%	0.8%	0.8%
OTHER FOOD PROCESSING										
Idaho	6,785	7,108	7,293	7,333	7,483	7,720	7,760	7,725	7,566	7,514
% Ch	2.2%	4.8%	2.6%	0.6%	2.0%	3.2%	0.5%	-0.4%	-2.1%	-0.7%
PAPER, PRINTING, PUBLISH.										
Idaho	7,191	7,215	7,440	7,393	7,637	7,537	7,434	7,720	8,030	8,210
% Ch	1.0%	0.3%	3.1%	-0.6%	3.3%	-1.3%	-1.4%	3.9%	4.0%	2.2%
National (Thousands)	2,224	2,235	2,242	2,220	2,204	2,129	2,058	2,076	2,107	2,097
% Ch	-0.6%	0.5%	0.3%	-1.0%	-0.7%	-3.4%	-3.3%	0.9%	1.5%	-0.5%
CHEMICALS										
Idaho	2,333	2,285	2,358	2,301	2,333	2,241	1,815	1,862	1,837	1,774
% Ch	-0.5%	-2.1%	3.2%	-2.4%	1.4%	-3.9%	-19.0%	2.6%	-1.3%	-3.4%
National (Thousands)	1,034	1,036	1,043	1,035	1,038	1,032	1,014	1,036	1,048	1,043
% Ch	-0.4%	0.2%	0.7%	-0.7%	0.2%	-0.5%	-1.7%	2.1%	1.2%	-0.5%
OTHER NONDURABLES										
Idaho	1,848	1,917	1,860	2,004	2,032	2,051	2,090	2,199	2,290	2,382
% Ch	-4.9%	3.7%	-3.0%	7.7%	1.4%	0.9%	1.9%	5.2%	4.1%	4.0%
National (Thousands)	2,756	2,708	2,631	2,504	2,405	2,223	2,189	2,267	2,240	2,208
% Ch	-4.0%	-1.8%	-2.9%	-4.8%	-4.0%	-7.5%	-1.5%	3.5%	-1.2%	-1.4%
MINING										
Idaho	3,062	3,098	2,903	2,582	2,425	2,172	1,858	1,895	1,945	1,949
%Ch	12.3%	1.2%	-6.3%	-11.1%	-6.1%	-10.4%	-14.4%	2.0%	2.6%	0.2%
National (Thousands)	580	597	590	539	542	559	507	485	461	439
%Ch	-0.2%	2.9%	-1.1%	-8.7%	0.6%	3.0%	-9.3%	-4.3%	-5.0%	-4.7%
METAL MINING										
Idaho	1,848	1,843	1,693	1,427	1,223	1,022	873	895	979	1,028
%Ch	16.0%	-0.3%	-8.1%	-15.7%	-14.3%	-16.5%	-14.6%	2.6%	9.3%	5.0%
OTHER MINING										
Idaho	1,214	1,255	1,210	1,155	1,201	1,150	985	1,000	966	921
% Ch	7.2%	3.4%	-3.6%	-4.6%	4.0%	-4.3%	-14.3%	1.5%	-3.4%	-4.6%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2001

EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	14,612	13,721	14,205	16,067	18,716	20,216	22,139	24,631	28,984	29,634
% Ch	-3.0%	-6.1%	3.5%	13.1%	16.5%	8.0%	9.5%	11.3%	17.7%	2.2%
National (Thousands)	4,810	4,958	5,096	5,171	5,125	4,655	4,492	4,665	4,982	5,168
% Ch	3.1%	3.1%	2.8%	1.5%	-0.9%	-9.2%	-3.5%	3.9%	6.8%	3.7%
SERVICE PRODUCING SECTOR										
Idaho	258,663	263,104	272,644	285,704	299,854	311,597	326,110	340,653	357,871	373,970
% Ch	-1.4%	1.7%	3.6%	4.8%	5.0%	3.9%	4.7%	4.5%	5.1%	4.5%
National (Thousands)	74,809	77,280	80,079	82,630	84,495	84,506	85,359	87,341	90,229	92,913
% Ch	3.1%	3.3%	3.6%	3.2%	2.3%	0.0%	1.0%	2.3%	3.3%	3.0%
FINANCE, INSUR, REAL ESTATE										
Idaho	18,878	19,125	19,270	19,291	19,837	20,626	21,457	22,756	24,101	24,971
% Ch	-20.2%	1.3%	0.8%	0.1%	2.8%	4.0%	4.0%	6.1%	5.9%	3.6%
National (Thousands)	6,272	6,533	6,629	6,669	6,709	6,647	6,602	6,757	6,895	6,808
% Ch	5.4%	4.2%	1.5%	0.6%	0.6%	-0.9%	-0.7%	2.3%	2.0%	-1.3%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	18,282	17,920	18,487	19,257	19,788	20,031	20,342	20,879	21,876	22,704
% Ch	-5.2%	-2.0%	3.2%	4.2%	2.8%	1.2%	1.6%	2.6%	4.8%	3.8%
National (Thousands)	5,247	5,362	5,512	5,614	5,776	5,755	5,718	5,811	5,985	6,134
% Ch	0.3%	2.2%	2.8%	1.9%	2.9%	-0.4%	-0.6%	1.6%	3.0%	2.5%
TRADE										
Idaho	83,886	84,892	87,339	93,122	97,089	100,986	105,894	109,372	116,688	121,401
% Ch	-0.3%	1.2%	2.9%	6.6%	4.3%	4.0%	4.9%	3.3%	6.7%	4.0%
National (Thousands)	23,641	24,269	25,055	25,664	25,774	25,363	25,352	25,753	26,664	27,564
% Ch	2.6%	2.7%	3.2%	2.4%	0.4%	-1.6%	0.0%	1.6%	3.5%	3.4%
SERVICES										
Idaho	66,655	67,956	71,913	76,161	81,750	85,621	90,396	97,221	102,832	110,107
% Ch	2.5%	2.0%	5.8%	5.9%	7.3%	4.7%	5.6%	7.6%	5.8%	7.1%
National (Thousands)	22,957	24,109	25,500	26,904	27,930	28,335	29,047	30,193	31,575	33,115
% Ch	4.7%	5.0%	5.8%	5.5%	3.8%	1.5%	2.5%	3.9%	4.6%	4.9%
STATE & LOCAL GOVERNMENT										
Idaho	59,135	61,123	63,156	65,184	68,334	71,423	74,562	76,843	78,878	81,673
% Ch	1.3%	3.4%	3.3%	3.2%	4.8%	4.5%	4.4%	3.1%	2.6%	3.5%
National (Thousands)	13,792	14,065	14,411	14,791	15,220	15,439	15,672	15,913	16,241	16,472
% Ch	2.0%	2.0%	2.5%	2.6%	2.9%	1.4%	1.5%	1.5%	2.1%	1.4%
Idaho Education	32,845	33,422	34,572	35,603	37,262	38,840	40,454	42,027	42,726	44,838
% Ch	1.6%	1.8%	3.4%	3.0%	4.7%	4.2%	4.2%	3.9%	1.7%	4.9%
Idaho Other	26,290	27,701	28,583	29,581	31,071	32,583	34,108	34,817	36,152	36,835
% Ch	0.9%	5.4%	3.2%	3.5%	5.0%	4.9%	4.7%	2.1%	3.8%	1.9%
FEDERAL GOVERNMENT										
Idaho	11,827	12,088	12,479	12,690	13,057	12,909	13,460	13,582	13,495	13,114
% Ch	0.3%	2.2%	3.2%	1.7%	2.9%	-1.1%	4.3%	0.9%	-0.6%	-2.8%
National (Thousands)	2,899	2,943	2,972	2,989	3,086	2,967	2,968	2,914	2,870	2,821
% Ch	0.8%	1.5%	1.0%	0.6%	3.3%	-3.9%	0.0%	-1.8%	-1.5%	-1.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2001

EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	30,598	32,200	32,226	34,852	36,445	37,247	36,490	35,669	35,315	35,826
% Ch	3.3%	5.2%	0.1%	8.1%	4.6%	2.2%	-2.0%	-2.2%	-1.0%	1.4%
National (Thousands)	5,418	5,691	6,018	6,413	6,701	6,840	6,724	6,713	6,762	6,819
% Ch	4.8%	5.1%	5.7%	6.6%	4.5%	2.1%	-1.7%	-0.2%	0.7%	0.8%
SERVICE PRODUCING SECTOR										
Idaho	385,995	398,839	410,287	425,547	443,173	452,291	459,061	470,037	481,149	492,042
% Ch	3.2%	3.3%	2.9%	3.7%	4.1%	2.1%	1.5%	2.4%	2.4%	2.3%
National (Thousands)	95,098	97,716	100,431	103,393	106,045	107,210	108,110	109,886	111,869	114,054
% Ch	2.4%	2.8%	2.8%	2.9%	2.6%	1.1%	0.8%	1.6%	1.8%	2.0%
FINANCE, INSUR, REAL ESTATE										
Idaho	25,178	25,398	22,928	23,562	23,498	23,345	23,395	23,608	23,910	24,236
% Ch	0.8%	0.9%	-9.7%	2.8%	-0.3%	-0.7%	0.2%	0.9%	1.3%	1.4%
National (Thousands)	6,912	7,108	7,388	7,555	7,561	7,643	7,680	7,728	7,867	7,973
% Ch	1.5%	2.8%	3.9%	2.3%	0.1%	1.1%	0.5%	0.6%	1.8%	1.4%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	23,405	24,246	25,496	26,896	27,944	28,689	28,969	29,331	29,703	30,100
% Ch	3.1%	3.6%	5.2%	5.5%	3.9%	2.7%	1.0%	1.2%	1.3%	1.3%
National (Thousands)	6,254	6,407	6,610	6,834	7,020	7,120	7,127	7,181	7,335	7,473
% Ch	2.0%	2.4%	3.2%	3.4%	2.7%	1.4%	0.1%	0.8%	2.1%	1.9%
TRADE										
Idaho	125,177	128,997	132,595	136,238	141,071	143,000	145,809	150,409	154,905	159,187
% Ch	3.1%	3.1%	2.8%	2.7%	3.5%	1.4%	2.0%	3.2%	3.0%	2.8%
National (Thousands)	28,076	28,615	29,097	29,761	30,329	30,528	30,479	30,817	31,304	31,733
% Ch	1.9%	1.9%	1.7%	2.3%	1.9%	0.7%	-0.2%	1.1%	1.6%	1.4%
SERVICES										
Idaho	115,978	122,624	128,748	135,740	144,998	149,817	152,659	157,709	162,716	167,613
% Ch	5.3%	5.7%	5.0%	5.4%	6.8%	3.3%	1.9%	3.3%	3.2%	3.0%
National (Thousands)	34,455	36,038	37,526	39,048	40,461	41,096	41,801	42,992	44,038	45,394
% Ch	4.0%	4.6%	4.1%	4.1%	3.6%	1.6%	1.7%	2.8%	2.4%	3.1%
STATE & LOCAL GOVERNMENT										
Idaho	83,357	84,529	87,715	90,271	92,235	94,363	95,097	95,914	96,944	98,026
% Ch	2.1%	1.4%	3.8%	2.9%	2.2%	2.3%	0.8%	0.9%	1.1%	1.1%
National (Thousands)	16,647	16,850	17,126	17,528	17,894	18,206	18,382	18,520	18,673	18,825
% Ch	1.1%	1.2%	1.6%	2.3%	2.1%	1.7%	1.0%	0.7%	0.8%	0.8%
Idaho Education	45,825	46,013	47,884	49,387	50,593	51,179	51,991	52,615	53,475	54,400
% Ch	2.2%	0.4%	4.1%	3.1%	2.4%	1.2%	1.6%	1.2%	1.6%	1.7%
Idaho Other	37,532	38,516	39,832	40,883	41,642	43,184	43,106	43,299	43,468	43,626
% Ch	1.9%	2.6%	3.4%	2.6%	1.9%	3.7%	-0.2%	0.4%	0.4%	0.4%
FEDERAL GOVERNMENT										
Idaho	12,900	13,045	12,805	12,841	13,427	13,077	13,132	13,066	12,971	12,880
% Ch	-1.6%	1.1%	-1.8%	0.3%	4.6%	-2.6%	0.4%	-0.5%	-0.7%	-0.7%
National (Thousands)	2,755	2,698	2,685	2,668	2,780	2,616	2,641	2,648	2,652	2,655
% Ch	-2.3%	-2.1%	-0.5%	-0.6%	4.2%	-5.9%	0.9%	0.3%	0.1%	0.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

MISCELLANEOUS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	448.0	423.0	456.2	524.2	553.0	590.9	667.9	723.9	766.2	835.6
% Ch	7.1%	-5.6%	7.8%	14.9%	5.5%	6.8%	13.0%	8.4%	5.8%	9.1%
National (Billions)	87.6	83.9	91.6	98.3	111.4	131.6	149.1	162.6	174.5	184.5
% Ch	8.4%	-4.3%	9.2%	7.3%	13.3%	18.1%	13.3%	9.1%	7.3%	5.7%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	75.3	77.6	80.2	83.3	86.5	89.7	91.8	94.1	96.0	98.1
% Ch	2.2%	3.0%	3.4%	3.8%	3.9%	3.6%	2.4%	2.4%	2.1%	2.2%
Consumption Expenditures	72.7	75.5	78.4	81.9	85.6	88.9	91.6	93.8	95.7	97.9
% Ch	2.4%	3.8%	3.9%	4.4%	4.6%	3.8%	3.1%	2.4%	2.0%	2.3%
Durable Goods	89.7	92.2	93.5	95.1	96.0	97.4	98.3	99.1	100.6	101.1
% Ch	1.2%	2.8%	1.4%	1.8%	0.9%	1.4%	0.9%	0.8%	1.5%	0.5%
Nondurable Goods	77.0	79.7	82.3	86.3	91.0	93.8	95.2	96.1	96.8	97.9
% Ch	-0.4%	3.4%	3.4%	4.8%	5.5%	3.1%	1.5%	1.0%	0.7%	1.1%
Services	67.3	70.2	73.6	77.1	80.9	84.8	88.5	91.6	94.2	97.2
% Ch	4.6%	4.3%	4.9%	4.8%	5.0%	4.8%	4.3%	3.5%	2.8%	3.3%
Cons. Price Index (1982-84)	109.7	113.7	118.4	124.0	130.8	136.3	140.4	144.6	148.3	152.5
% Ch	1.9%	3.7%	4.1%	4.8%	5.4%	4.2%	3.0%	3.0%	2.6%	2.8%
SELECTED INTEREST RATES										
Federal Funds	6.8%	6.7%	7.6%	9.2%	8.1%	5.7%	3.5%	3.0%	4.2%	5.8%
Prime	8.3%	8.2%	9.3%	10.9%	10.0%	8.5%	6.3%	6.0%	7.1%	8.8%
Existing Home Mortgage	10.3%	9.3%	9.3%	10.1%	10.0%	9.3%	8.1%	7.2%	7.5%	7.8%
U.S. Govt. 3-Month Bills	6.0%	5.8%	6.7%	8.1%	7.5%	5.4%	3.4%	3.0%	4.2%	5.5%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	90.2	94.9	95.1	94.3	91.9	85.6	90.5	91.2	95.8	97.7
% Ch	8.3%	5.3%	0.2%	-0.8%	-2.6%	-6.9%	5.8%	0.8%	5.1%	1.9%
Office & Computer Equip.	17.8	20.6	24.7	27.5	27.0	27.3	33.1	40.5	50.4	70.1
% Ch	6.7%	15.9%	19.9%	11.2%	-1.9%	1.1%	21.4%	22.2%	24.6%	39.1%
Electrical Machinery	34.3	36.6	39.9	41.5	42.5	43.4	48.4	53.1	63.6	80.3
% Ch	3.7%	6.6%	9.1%	3.9%	2.3%	2.1%	11.6%	9.8%	19.7%	26.3%
Electronic Components	12.6	14.8	16.6	18.6	20.5	23.0	28.5	32.6	43.2	67.4
% Ch	7.3%	17.4%	12.7%	11.5%	10.4%	12.2%	23.7%	14.5%	32.6%	56.0%
Food	86.5	88.8	90.1	91.0	92.1	93.4	94.9	96.8	98.4	100.3
% Ch	2.6%	2.6%	1.4%	1.1%	1.2%	1.4%	1.6%	2.0%	1.6%	2.0%
Paper	82.3	84.8	87.4	89.0	89.5	90.3	93.2	96.4	99.8	100.4
% Ch	5.3%	3.0%	3.1%	1.7%	0.6%	0.8%	3.3%	3.4%	3.5%	0.6%
Agricultural Chemicals	73.1	82.7	87.9	95.0	98.1	95.4	97.7	98.6	98.2	98.0
% Ch	-7.4%	13.1%	6.4%	8.1%	3.3%	-2.8%	2.5%	0.9%	-0.4%	-0.2%
Metals & Minerals Mining	70.1	73.3	80.3	85.1	89.2	86.2	90.5	91.3	95.1	98.0
% Ch	1.0%	4.5%	9.5%	6.0%	4.8%	-3.3%	5.0%	0.8%	4.2%	3.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the **SECOND** Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL OCTOBER 2001

MISCELLANEOUS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	910.5	907.1	951.3	1,044.9	1,117.4	1,263.9	1,342.0	1,424.2	1,510.8	1,600.6
% Ch	9.0%	-0.4%	4.9%	9.8%	6.9%	13.1%	6.2%	6.1%	6.1%	5.9%
National (Billions)	190.4	196.8	210.3	230.5	245.6	278.0	295.2	313.4	332.8	353.0
% Ch	3.2%	3.3%	6.8%	9.6%	6.6%	13.2%	6.2%	6.2%	6.2%	6.1%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	100.0	101.9	103.2	104.7	107.0	109.4	111.7	114.3	116.8	119.4
% Ch	1.9%	1.9%	1.2%	1.4%	2.3%	2.2%	2.1%	2.3%	2.2%	2.2%
Consumption Expenditures	100.0	101.9	103.0	104.7	107.5	109.8	111.9	114.5	117.1	119.8
% Ch	2.2%	1.9%	1.1%	1.6%	2.7%	2.1%	1.9%	2.3%	2.3%	2.3%
Durable Goods	100.0	97.7	95.4	93.0	91.5	90.1	89.3	89.1	89.1	89.0
% Ch	-1.0%	-2.3%	-2.4%	-2.5%	-1.6%	-1.6%	-0.9%	-0.2%	0.0%	-0.1%
Nondurable Goods	100.0	101.3	101.3	103.7	107.6	109.4	110.6	112.4	114.3	116.2
% Ch	2.1%	1.3%	0.0%	2.3%	3.7%	1.7%	1.1%	1.6%	1.7%	1.7%
Services	100.0	103.1	105.5	107.8	111.1	114.5	117.9	121.5	125.3	129.0
% Ch	2.8%	3.1%	2.3%	2.2%	3.1%	3.1%	2.9%	3.1%	3.1%	3.0%
Cons. Price Index (1982-84)	157.0	160.6	163.1	166.7	172.3	177.6	181.7	186.1	190.7	195.5
% Ch	2.9%	2.3%	1.5%	2.2%	3.4%	3.1%	2.3%	2.4%	2.5%	2.5%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	4.0%	3.0%	4.4%	5.0%	5.0%
Prime	8.3%	8.4%	8.4%	8.0%	9.2%	7.0%	6.0%	7.4%	8.0%	8.0%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.2%	7.4%	8.0%	8.3%	8.2%
U.S. Govt. 3-Month Bills	5.0%	5.1%	4.8%	4.6%	5.8%	3.6%	3.2%	4.3%	4.7%	4.7%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	100.0	103.2	107.5	110.8	107.0	99.8	100.8	106.3	106.8	107.1
% Ch	2.4%	3.2%	4.1%	3.1%	-3.5%	-6.7%	1.0%	5.5%	0.5%	0.3%
Office & Computer Equip.	100.0	139.8	196.8	310.3	446.1	479.6	523.1	642.9	766.4	895.3
% Ch	42.6%	39.8%	40.8%	57.7%	43.8%	7.5%	9.1%	22.9%	19.2%	16.8%
Electrical Machinery	100.0	127.9	155.4	193.3	265.8	270.6	280.5	323.6	366.6	420.4
% Ch	24.5%	27.9%	21.5%	24.4%	37.5%	1.8%	3.7%	15.4%	13.3%	14.7%
Electronic Components	100.0	151.5	209.8	311.5	542.8	563.8	578.1	666.7	759.5	881.5
% Ch	48.3%	51.5%	38.5%	48.5%	74.2%	3.9%	2.5%	15.3%	13.9%	16.1%
Food	100.0	101.6	105.1	106.8	108.7	108.1	109.4	110.9	111.2	112.5
% Ch	-0.3%	1.6%	3.5%	1.6%	1.8%	-0.6%	1.2%	1.4%	0.3%	1.2%
Paper	100.0	105.7	107.3	109.3	108.2	102.6	105.4	110.5	112.7	114.9
% Ch	-0.4%	5.7%	1.6%	1.8%	-1.0%	-5.2%	2.7%	4.8%	2.0%	2.0%
Agricultural Chemicals	100.0	104.5	105.5	104.6	98.7	88.6	95.5	103.1	105.3	107.6
% Ch	2.0%	4.5%	0.9%	-0.8%	-5.6%	-10.2%	7.8%	8.0%	2.2%	2.1%
Metals & Minerals Mining	100.0	104.4	106.2	104.0	103.7	101.0	97.7	97.2	97.9	99.8
% Ch	2.1%	4.4%	1.7%	-2.1%	-0.2%	-2.7%	-3.3%	-0.4%	0.6%	1.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

DEMOGRAPHICS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,243.5	1,249.1	1,254.5	1,260.2	1,265.4	1,270.8	1,275.6	1,280.7	1,286.0	1,290.9	1,295.3	1,299.5
% Ch	1.8%	1.8%	1.7%	1.8%	1.7%	1.7%	1.5%	1.6%	1.6%	1.5%	1.4%	1.3%
National (Millions)	272.3	272.9	273.6	274.2	274.8	275.4	276.0	276.6	277.2	277.9	278.5	279.1
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	19.668	19.822	19.969	20.127	20.078	20.229	20.359	20.501	20.586	20.660	20.716	20.762
% Ch	3.1%	3.2%	3.0%	3.2%	-1.0%	3.0%	2.6%	2.8%	1.7%	1.5%	1.1%	0.9%
National (Thousands)	3.876	3.874	3.873	3.873	3.872	3.872	3.872	3.873	3.874	3.875	3.877	3.879
% Ch	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%
DEATHS												
Idaho (Thousands)	9.389	9.430	9.520	9.612	9.428	9.469	9.507	9.547	9.588	9.627	9.662	9.697
% Ch	10.4%	1.8%	3.9%	3.9%	-7.4%	1.8%	1.6%	1.7%	1.7%	1.6%	1.5%	1.4%
National (Thousands)	2,389	2,396	2,402	2,409	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454
% Ch	1.2%	1.1%	1.1%	1.0%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
NET MIGRATION												
Idaho (Thousands)	11.321	12.008	11.151	12.285	10.209	10.781	8.441	9.502	9.903	8.711	6.606	5.624
HOUSING												
HOUSING STARTS												
Idaho	10,096	10,264	10,520	10,446	11,450	11,593	11,690	11,412	13,303	11,544	11,165	11,163
% Ch	-17.2%	6.8%	10.4%	-2.8%	44.3%	5.1%	3.4%	-9.2%	84.7%	-43.3%	-12.5%	-0.1%
National (Millions)	1.709	1.574	1.651	1.655	1.668	1.586	1.505	1.539	1.627	1.621	1.592	1.459
% Ch	-3.0%	-28.0%	20.9%	1.0%	3.3%	-18.3%	-18.9%	9.3%	24.8%	-1.5%	-7.0%	-29.4%
SINGLE UNITS												
Idaho	9,274	9,333	9,032	9,129	10,327	10,063	10,610	10,514	10,648	10,293	9,963	9,964
% Ch	-9.3%	2.6%	-12.3%	4.4%	63.8%	-9.9%	23.6%	-3.6%	5.2%	-12.7%	-12.2%	0.1%
National (Millions)	1.337	1.266	1.286	1.335	1.287	1.234	1.191	1.221	1.277	1.288	1.270	1.193
% Ch	-7.8%	-19.6%	6.6%	16.1%	-13.7%	-15.4%	-13.4%	10.6%	19.8%	3.5%	-5.7%	-22.0%
MULTIPLE UNITS												
Idaho	822	931	1,489	1,317	1,122	1,530	1,080	898	2,655	1,251	1,203	1,198
% Ch	-66.5%	64.5%	554.0%	-38.7%	-47.3%	245.5%	-75.2%	-52.3%	7549.5%	-95.1%	-14.7%	-1.4%
National (Millions)	0.372	0.308	0.364	0.319	0.381	0.352	0.315	0.318	0.350	0.333	0.322	0.266
% Ch	17.0%	-53.0%	94.9%	-41.0%	103.3%	-27.4%	-36.1%	4.7%	45.6%	-18.1%	-11.8%	-53.6%
HOUSING STOCK												
Idaho (Thousands)	407.9	410.1	412.4	414.7	417.3	419.9	422.5	425.0	428.0	430.6	433.1	435.5
% Ch	2.2%	2.2%	2.3%	2.3%	2.5%	2.5%	2.5%	2.4%	2.9%	2.4%	2.3%	2.3%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

DEMOGRAPHICS

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION	1,303.4	1,306.8	1,310.8	1,314.6	1,318.4	1,322.2	1,325.7	1,329.2	1,332.7	1,336.2	1,339.6	1,343.0
Idaho (Thousands)	1.2%	1.1%	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%	1.1%	1.1%	1.0%	1.0%
% Ch	279.7	280.4	281.0	281.6	282.2	282.9	283.5	284.1	284.7	285.3	285.9	286.6
National (Millions)	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
% Ch												
BIRTHS	20.798	20.818	20.856	20.888	20.921	20.954	20.976	20.996	21.017	21.039	21.059	21.075
Idaho (Thousands)	0.7%	0.4%	0.7%	0.6%	0.6%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
% Ch	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935
National (Thousands)	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.7%	0.8%
% Ch												
DEATHS	9.729	9.759	9.792	9.824	9.856	9.889	9.919	9.949	9.979	10.010	10.040	10.069
Idaho (Thousands)	1.4%	1.2%	1.4%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
% Ch	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515
National (Thousands)	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
% Ch												
NET MIGRATION	4.472	2.843	4.726	4.059	4.156	4.186	3.095	2.731	2.908	3.119	2.752	2.467
Idaho (Thousands)												
HOUSING												
HOUSING STARTS	10,979	10,762	10,508	10,268	10,127	9,991	9,892	9,848	9,967	10,034	10,078	10,134
Idaho	-6.4%	-7.7%	-9.1%	-8.8%	-5.4%	-5.3%	-3.9%	-1.8%	4.9%	2.7%	1.8%	2.2%
% Ch	1,429	1,518	1,553	1,571	1,585	1,595	1,588	1,581	1,577	1,586	1,600	1,613
National (Millions)	-8.0%	27.4%	9.4%	4.8%	3.6%	2.5%	-1.6%	-1.9%	-1.0%	2.3%	3.5%	3.3%
% Ch												
SINGLE UNITS	9,835	9,677	9,497	9,361	9,280	9,198	9,139	9,135	9,292	9,376	9,418	9,450
Idaho	-5.1%	-6.3%	-7.2%	-5.6%	-3.4%	-3.5%	-2.5%	-0.2%	7.0%	3.7%	1.8%	1.3%
% Ch	1,196	1,246	1,253	1,259	1,268	1,272	1,265	1,259	1,255	1,262	1,274	1,285
National (Millions)	0.9%	17.9%	2.4%	1.9%	2.9%	1.0%	-2.1%	-1.7%	-1.2%	2.3%	3.5%	3.8%
% Ch												
MULTIPLE UNITS	1,144	1,085	1,011	906	847	793	753	713	675	658	660	685
Idaho	-17.1%	-18.8%	-24.7%	-35.4%	-23.8%	-23.0%	-18.5%	-19.9%	-19.4%	-10.0%	1.5%	15.8%
% Ch	0.233	0.272	0.299	0.312	0.316	0.323	0.324	0.322	0.322	0.324	0.326	0.327
National (Millions)	-40.8%	85.3%	45.7%	17.4%	6.5%	8.9%	0.6%	-2.4%	0.2%	2.0%	3.2%	1.5%
% Ch												
HOUSING STOCK												
Idaho (Thousands)	437.9	440.3	442.6	444.8	447.0	449.2	451.3	453.4	455.6	457.8	459.9	462.1
% Ch	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

OUTPUT, INCOME, & WAGES

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	9,093	9,161	9,297	9,523	9,669	9,858	9,938	10,028	10,142	10,202	10,228	10,238
% Ch	4.9%	3.0%	6.1%	10.0%	6.3%	8.0%	3.3%	3.7%	4.6%	2.4%	1.0%	0.4%
1996 Chain-Weighted	8,733	8,771	8,871	9,050	9,102	9,229	9,260	9,304	9,335	9,338	9,335	9,293
% Ch	3.1%	1.7%	4.7%	8.3%	2.3%	5.7%	1.3%	1.9%	1.3%	0.2%	-0.2%	-1.8%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	27,876	28,299	28,732	29,601	30,418	31,246	31,641	31,850	32,158	32,430	32,874	33,202
% Ch	3.4%	6.2%	6.3%	12.7%	11.5%	11.3%	5.2%	2.7%	3.9%	3.4%	5.6%	4.0%
Idaho Nonfarm (Millions)	26,947	27,305	27,879	28,613	29,400	30,142	30,246	30,891	31,138	31,384	31,717	32,063
% Ch	5.1%	5.4%	8.7%	11.0%	11.5%	10.5%	1.4%	8.8%	3.2%	3.2%	4.3%	4.4%
National (Billions)	7,631	7,720	7,819	7,939	8,104	8,271	8,382	8,520	8,640	8,718	8,785	8,845
% Ch	3.0%	4.7%	5.2%	6.3%	8.6%	8.5%	5.5%	6.8%	5.8%	3.7%	3.1%	2.7%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	26,835	27,105	27,368	28,027	28,520	29,144	29,339	29,390	29,441	29,576	29,919	30,054
% Ch	2.1%	4.1%	3.9%	10.0%	7.2%	9.0%	2.7%	0.7%	0.7%	1.8%	4.7%	1.8%
Idaho Nonfarm (Millions)	25,940	26,153	26,556	27,092	27,566	28,115	28,045	28,505	28,507	28,621	28,865	29,023
% Ch	3.8%	3.3%	6.3%	8.3%	7.2%	8.2%	-1.0%	6.7%	0.0%	1.6%	3.5%	2.2%
National (Billions)	7,347	7,394	7,448	7,518	7,599	7,716	7,772	7,862	7,911	7,951	7,996	8,006
% Ch	1.6%	2.6%	3.0%	3.8%	4.4%	6.3%	3.0%	4.7%	2.5%	2.0%	2.3%	0.5%
PER CAPITA PERS INC - CURR \$												
Idaho	22,417	22,656	22,903	23,489	24,038	24,588	24,804	24,868	25,007	25,122	25,379	25,550
% Ch	1.6%	4.3%	4.4%	10.6%	9.7%	9.5%	3.6%	1.0%	2.2%	1.9%	4.2%	2.7%
National	28,022	28,283	28,582	28,959	29,496	30,036	30,368	30,799	31,164	31,375	31,545	31,687
% Ch	2.1%	3.8%	4.3%	5.4%	7.6%	7.5%	4.5%	5.8%	4.8%	2.7%	2.2%	1.8%
PER CAPITA PERS INC - 1996 \$												
Idaho	21,580	21,699	21,816	22,240	22,538	22,934	23,000	22,948	22,894	22,911	23,098	23,128
% Ch	0.3%	2.2%	2.2%	8.0%	5.5%	7.2%	1.2%	-0.9%	-0.9%	0.3%	3.3%	0.5%
National	26,978	27,091	27,229	27,421	27,657	28,019	28,161	28,423	28,534	28,614	28,710	28,684
% Ch	0.7%	1.7%	2.1%	2.8%	3.5%	5.3%	2.0%	3.8%	1.6%	1.1%	1.4%	-0.4%
AVERAGE ANNUAL WAGE												
Idaho	26,328	26,587	27,123	27,735	28,489	29,097	28,775	29,709	29,581	29,907	30,241	30,567
% Ch	1.5%	4.0%	8.3%	9.3%	11.3%	8.8%	-4.4%	13.6%	-1.7%	4.5%	4.5%	4.4%
National	34,103	34,464	34,917	35,284	35,896	36,388	36,958	37,600	38,092	38,490	38,800	39,098
% Ch	2.8%	4.3%	5.4%	4.3%	7.1%	5.6%	6.4%	7.1%	5.3%	4.2%	3.3%	3.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

OUTPUT, INCOME, & WAGES

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	10,339	10,489	10,665	10,844	11,036	11,198	11,336	11,479	11,629	11,760	11,900	12,060
% Ch	4.0%	5.9%	6.9%	6.9%	7.3%	6.0%	5.0%	5.2%	5.3%	4.6%	4.9%	5.5%
1996 Chain-Weighted	9,329	9,413	9,521	9,628	9,738	9,829	9,891	9,960	10,031	10,094	10,161	10,242
% Ch	1.6%	3.6%	4.7%	4.6%	4.6%	3.8%	2.6%	2.8%	2.9%	2.5%	2.7%	3.2%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,400	33,820	34,316	34,853	35,442	36,034	36,562	37,064	37,577	38,037	38,530	39,048
% Ch	2.4%	5.1%	6.0%	6.4%	6.9%	6.8%	6.0%	5.6%	5.6%	5.0%	5.3%	5.5%
Idaho Nonfarm (Millions)	32,285	32,713	33,207	33,739	34,337	34,918	35,430	35,924	36,463	36,912	37,391	37,892
% Ch	2.8%	5.4%	6.2%	6.6%	7.3%	6.9%	6.0%	5.7%	6.1%	5.0%	5.3%	5.5%
National (Billions)	8,885	8,978	9,095	9,227	9,384	9,527	9,651	9,770	9,901	10,009	10,121	10,240
% Ch	1.8%	4.2%	5.3%	5.9%	7.0%	6.2%	5.3%	5.0%	5.5%	4.5%	4.5%	4.8%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	30,073	30,291	30,579	30,888	31,229	31,571	31,840	32,085	32,347	32,566	32,805	33,059
% Ch	0.3%	2.9%	3.9%	4.1%	4.5%	4.4%	3.5%	3.1%	3.3%	2.7%	3.0%	3.1%
Idaho Nonfarm (Millions)	29,068	29,299	29,590	29,901	30,255	30,593	30,854	31,098	31,388	31,603	31,835	32,080
% Ch	0.6%	3.2%	4.0%	4.3%	4.8%	4.5%	3.5%	3.2%	3.8%	2.8%	3.0%	3.1%
National (Billions)	8,000	8,041	8,105	8,177	8,268	8,347	8,405	8,457	8,523	8,570	8,617	8,669
% Ch	-0.3%	2.1%	3.2%	3.6%	4.5%	3.9%	2.8%	2.5%	3.1%	2.2%	2.2%	2.5%
PER CAPITA PERS INC - CURR \$												
Idaho	25,626	25,879	26,180	26,513	26,883	27,253	27,579	27,885	28,197	28,466	28,761	29,075
% Ch	1.2%	4.0%	4.7%	5.2%	5.7%	5.6%	4.9%	4.5%	4.5%	3.9%	4.2%	4.4%
National	31,760	32,020	32,368	32,763	33,247	33,679	34,045	34,388	34,773	35,079	35,393	35,734
% Ch	0.9%	3.3%	4.4%	5.0%	6.0%	5.3%	4.4%	4.1%	4.6%	3.6%	3.6%	3.9%
PER CAPITA PERS INC - 1996 \$												
Idaho	23,073	23,179	23,329	23,496	23,688	23,878	24,017	24,139	24,272	24,372	24,488	24,615
% Ch	-0.9%	1.8%	2.6%	2.9%	3.3%	3.2%	2.4%	2.0%	2.2%	1.7%	1.9%	2.1%
National	28,597	28,679	28,843	29,036	29,296	29,508	29,649	29,769	29,934	30,035	30,135	30,254
% Ch	-1.2%	1.2%	2.3%	2.7%	3.6%	2.9%	1.9%	1.6%	2.2%	1.3%	1.3%	1.6%
AVERAGE ANNUAL WAGE												
Idaho	30,879	31,196	31,516	31,849	32,204	32,567	32,922	33,281	33,627	33,951	34,301	34,649
% Ch	4.1%	4.2%	4.2%	4.3%	4.5%	4.6%	4.4%	4.4%	4.2%	3.9%	4.2%	4.1%
National	39,439	39,816	40,203	40,609	41,084	41,554	41,996	42,384	42,780	43,134	43,486	43,838
% Ch	3.5%	3.9%	3.9%	4.1%	4.8%	4.7%	4.3%	3.7%	3.8%	3.3%	3.3%	3.3%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

PERSONAL INCOME -- CURR \$\$

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	14,507	14,768	15,192	15,652	16,225	16,764	16,709	17,305	17,394	17,525	17,733	17,959
% Ch	4.8%	7.4%	12.0%	12.7%	15.5%	14.0%	-1.3%	15.0%	2.1%	3.1%	4.8%	5.2%
National (Billions)	4,358	4,429	4,512	4,591	4,702	4,798	4,876	4,973	5,049	5,099	5,133	5,165
% Ch	5.4%	6.7%	7.7%	7.2%	10.0%	8.4%	6.6%	8.2%	6.3%	4.0%	2.7%	2.5%
FARM PROPRIETORS INCOME												
Idaho (Millions)	598	663	523	661	685	762	1,045	598	651	669	776	753
% Ch	-45.8%	51.1%	-61.3%	155.2%	15.3%	53.1%	253.7%	-89.3%	40.4%	11.6%	80.7%	-11.2%
National (Billions)	27	28	25	26	27	32	32	32	30	29	33	33
% Ch	-7.6%	1.7%	-29.6%	17.2%	4.7%	124.3%	-9.6%	0.9%	-21.8%	-13.7%	70.9%	-3.8%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	2,747	2,798	2,842	2,884	2,939	2,981	2,969	2,977	2,980	3,033	3,052	3,069
% Ch	11.2%	7.6%	6.4%	6.0%	7.8%	5.8%	-1.6%	1.1%	0.4%	7.2%	2.5%	2.3%
National (Billions)	626	640	652	664	671	685	688	693	705	717	721	725
% Ch	6.6%	9.8%	7.4%	7.3%	4.6%	8.9%	1.3%	3.4%	7.0%	6.8%	2.3%	2.1%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,389	5,426	5,499	5,678	5,733	5,821	5,936	5,947	5,964	5,970	5,977	5,999
% Ch	-1.0%	2.8%	5.5%	13.7%	3.9%	6.3%	8.1%	0.7%	1.1%	0.4%	0.5%	1.5%
National (Billions)	1,439	1,434	1,434	1,456	1,486	1,515	1,533	1,551	1,555	1,556	1,558	1,564
% Ch	-7.4%	-1.5%	0.1%	6.4%	8.5%	7.8%	5.1%	4.8%	1.0%	0.3%	0.3%	1.5%
OTHER LABOR INCOME												
Idaho (Millions)	1,775	1,780	1,795	1,834	1,895	1,932	1,938	1,974	1,981	1,991	2,017	2,037
% Ch	7.5%	1.1%	3.4%	9.0%	14.0%	8.0%	1.2%	7.6%	1.4%	2.0%	5.4%	4.0%
National (Billions)	503	507	512	517	524	530	538	545	549	552	556	558
% Ch	4.2%	3.7%	3.6%	3.6%	5.6%	5.0%	6.0%	5.3%	3.2%	2.1%	3.0%	1.2%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,632	3,655	3,685	3,714	3,810	3,896	3,938	3,983	4,132	4,186	4,264	4,338
% Ch	6.9%	2.6%	3.3%	3.2%	10.7%	9.3%	4.4%	4.6%	15.8%	5.3%	7.7%	7.1%
National (Billions)	1,009	1,016	1,023	1,030	1,046	1,066	1,075	1,089	1,123	1,138	1,158	1,177
% Ch	8.2%	3.1%	2.7%	2.7%	6.5%	7.9%	3.2%	5.5%	13.1%	5.6%	7.2%	6.6%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,151	1,172	1,201	1,229	1,276	1,310	1,300	1,341	1,361	1,365	1,371	1,387
% Ch	10.7%	7.5%	10.3%	9.7%	16.2%	11.1%	-3.0%	13.2%	6.1%	1.1%	1.9%	4.7%
National (Billions)	330	335	340	344	351	356	359	364	372	374	374	376
% Ch	10.0%	5.5%	6.0%	5.2%	8.9%	5.2%	4.1%	5.3%	9.0%	2.1%	-0.1%	2.2%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	379	379	396	408	406	401	406	405	416	420	426	432
% Ch	54.4%	0.0%	19.2%	12.7%	-1.9%	-4.8%	5.1%	-1.0%	11.3%	3.7%	5.8%	6.2%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

PERSONAL INCOME -- CURR \$\$

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	18,167	18,411	18,669	18,953	19,270	19,600	19,920	20,232	20,545	20,834	21,143	21,455
% Ch	4.7%	5.5%	5.7%	6.2%	6.9%	7.0%	6.7%	6.4%	6.3%	5.8%	6.1%	6.0%
National (Billions)	5,209	5,263	5,328	5,403	5,492	5,575	5,653	5,728	5,804	5,876	5,947	6,022
% Ch	3.5%	4.2%	5.0%	5.7%	6.7%	6.2%	5.7%	5.4%	5.5%	5.0%	4.9%	5.1%
FARM PROPRIETORS INCOME												
Idaho (Millions)	731	724	727	731	722	731	745	748	721	730	742	755
% Ch	-11.1%	-3.7%	1.5%	1.9%	-4.7%	5.2%	7.7%	2.0%	-13.9%	5.4%	6.3%	7.3%
National (Billions)	32	32	32	32	32	32	33	33	33	33	34	35
% Ch	-2.0%	-8.1%	-1.8%	0.9%	2.1%	4.5%	8.7%	1.9%	-1.0%	5.4%	6.5%	7.9%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,146	3,226	3,294	3,353	3,414	3,469	3,508	3,542	3,580	3,613	3,649	3,697
% Ch	10.3%	10.6%	8.8%	7.3%	7.5%	6.7%	4.5%	4.0%	4.3%	3.7%	4.1%	5.3%
National (Billions)	742	760	776	789	803	816	824	832	841	848	857	867
% Ch	9.9%	10.2%	8.5%	7.0%	7.2%	6.4%	4.3%	3.9%	4.2%	3.6%	4.0%	5.2%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,820	5,857	5,953	6,075	6,182	6,305	6,383	6,450	6,517	6,580	6,628	6,688
% Ch	-11.4%	2.6%	6.7%	8.5%	7.2%	8.2%	5.0%	4.3%	4.2%	3.9%	3.0%	3.7%
National (Billions)	1,514	1,520	1,541	1,570	1,596	1,626	1,645	1,660	1,676	1,691	1,701	1,715
% Ch	-12.0%	1.6%	5.5%	7.7%	6.7%	7.8%	4.7%	3.9%	3.8%	3.5%	2.6%	3.2%
OTHER LABOR INCOME												
Idaho (Millions)	2,056	2,077	2,102	2,129	2,156	2,188	2,217	2,250	2,283	2,299	2,336	2,373
% Ch	3.8%	4.0%	5.0%	5.3%	5.2%	5.9%	5.4%	6.1%	6.0%	2.9%	6.6%	6.5%
National (Billions)	561	565	571	577	584	591	597	604	612	615	623	631
% Ch	2.4%	2.7%	4.1%	4.6%	4.9%	4.9%	4.3%	4.8%	5.0%	2.1%	5.3%	5.3%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	4,443	4,498	4,554	4,608	4,707	4,763	4,827	4,891	4,994	5,055	5,119	5,181
% Ch	10.1%	5.1%	5.0%	4.8%	8.9%	4.8%	5.5%	5.4%	8.7%	5.0%	5.1%	4.9%
National (Billions)	1,205	1,219	1,235	1,248	1,276	1,291	1,308	1,326	1,354	1,371	1,388	1,405
% Ch	9.6%	5.1%	5.1%	4.4%	9.2%	4.8%	5.5%	5.5%	8.7%	5.0%	5.1%	5.0%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,402	1,419	1,437	1,457	1,480	1,503	1,526	1,548	1,570	1,590	1,612	1,634
% Ch	4.3%	5.0%	5.2%	5.7%	6.3%	6.5%	6.2%	5.9%	5.8%	5.3%	5.6%	5.5%
National (Billions)	379	383	387	392	398	404	409	414	420	425	429	434
% Ch	3.2%	3.9%	4.7%	5.4%	6.4%	5.9%	5.4%	5.1%	5.1%	4.7%	4.6%	4.8%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	438	445	452	461	470	479	488	497	506	514	523	532
% Ch	5.6%	6.5%	6.8%	7.4%	8.1%	8.3%	7.9%	7.5%	7.4%	6.7%	7.1%	7.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	531,907	536,568	541,602	546,358	551,715	558,441	562,330	564,440	569,358	567,267	567,738	568,868
% Ch	3.3%	3.6%	3.8%	3.6%	4.0%	5.0%	2.8%	1.5%	3.5%	-1.5%	0.3%	0.8%
National (Thousands)	127,775	128,503	129,217	130,107	130,984	131,854	131,927	132,264	132,559	132,485	132,288	132,094
% Ch	2.5%	2.3%	2.2%	2.8%	2.7%	2.7%	0.2%	1.0%	0.9%	-0.2%	-0.6%	-0.6%
GOODS PRODUCING SECTOR												
Idaho	112,397	113,026	114,114	114,708	115,757	116,094	115,868	116,514	118,090	116,005	115,134	114,836
% Ch	3.6%	2.3%	3.9%	2.1%	3.7%	1.2%	-0.8%	2.3%	5.5%	-6.9%	-3.0%	-1.0%
National (Thousands)	25,475	25,480	25,505	25,568	25,704	25,711	25,732	25,704	25,621	25,314	24,952	24,701
% Ch	0.0%	0.1%	0.4%	1.0%	2.1%	0.1%	0.3%	-0.4%	-1.3%	-4.7%	-5.6%	-4.0%
MANUFACTURING												
Idaho	75,731	75,969	76,478	76,333	76,740	77,199	77,066	77,752	77,817	76,833	75,961	75,782
% Ch	-0.3%	1.3%	2.7%	-0.8%	2.2%	2.4%	-0.7%	3.6%	0.3%	-5.0%	-4.5%	-0.9%
National (Thousands)	18,637	18,562	18,525	18,496	18,504	18,510	18,487	18,378	18,188	17,885	17,547	17,372
% Ch	-1.6%	-1.6%	-0.8%	-0.6%	0.2%	0.1%	-0.5%	-2.3%	-4.1%	-6.5%	-7.3%	-3.9%
DURABLE MANUFACTURING												
Idaho	46,604	47,021	47,460	47,471	47,720	47,934	47,818	48,270	48,534	47,636	47,082	46,925
% Ch	-2.4%	3.6%	3.8%	0.1%	2.1%	1.8%	-1.0%	3.8%	2.2%	-7.2%	-4.6%	-1.3%
National (Thousands)	11,134	11,112	11,109	11,093	11,121	11,147	11,169	11,116	10,990	10,781	10,544	10,417
% Ch	-1.3%	-0.8%	-0.1%	-0.6%	1.0%	1.0%	0.8%	-1.9%	-4.5%	-7.4%	-8.5%	-4.8%
LUMBER & WOOD PRODUCTS												
Idaho	13,507	13,380	13,424	13,305	13,178	13,067	12,329	11,929	11,894	11,525	11,396	11,199
% Ch	-4.9%	-3.7%	1.3%	-3.5%	-3.7%	-3.3%	-20.7%	-12.4%	-1.2%	-11.8%	-4.4%	-6.8%
National (Thousands)	829	832	836	840	842	838	831	816	801	798	790	794
% Ch	4.5%	1.5%	1.9%	1.9%	0.8%	-1.7%	-3.5%	-6.9%	-7.1%	-1.5%	-4.0%	1.8%
STONE, CLAY, GLASS, etc.												
Idaho	4,479	4,549	4,552	4,538	4,513	4,466	4,490	4,467	4,511	4,463	4,321	4,255
% Ch	7.0%	6.4%	0.3%	-1.2%	-2.2%	-4.1%	2.2%	-2.0%	4.0%	-4.2%	-12.1%	-6.0%
National (Thousands)	2,081	2,081	2,092	2,097	2,109	2,119	2,122	2,113	2,095	2,064	2,041	2,021
% Ch	1.0%	0.0%	2.1%	1.0%	2.4%	1.8%	0.7%	-1.7%	-3.5%	-5.7%	-4.4%	-3.7%
ELEC & NONELEC MACH												
Idaho	22,661	23,077	23,381	23,476	23,824	24,116	24,908	25,823	26,209	25,731	25,364	25,411
% Ch	-4.4%	7.6%	5.4%	1.6%	6.1%	5.0%	13.8%	15.5%	6.1%	-7.1%	-5.6%	0.7%
National (Thousands)	3,823	3,818	3,799	3,792	3,805	3,826	3,867	3,859	3,827	3,707	3,556	3,471
% Ch	-4.1%	-0.6%	-2.0%	-0.7%	1.3%	2.2%	4.4%	-0.9%	-3.2%	-12.0%	-15.3%	-9.2%
OTHER DURABLES												
Idaho	5,957	6,016	6,104	6,153	6,205	6,285	6,091	6,051	5,920	5,917	6,001	6,060
% Ch	4.6%	4.0%	6.0%	3.3%	3.4%	5.3%	-11.8%	-2.6%	-8.4%	-0.2%	5.8%	4.0%
National (Thousands)	4,400	4,380	4,382	4,363	4,365	4,365	4,349	4,327	4,266	4,212	4,158	4,131
% Ch	-0.9%	-1.8%	0.2%	-1.7%	0.1%	0.0%	-1.5%	-1.9%	-5.5%	-5.0%	-5.0%	-2.6%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	569,690	571,769	574,107	576,945	580,246	583,860	587,197	590,190	593,214	596,011	598,818	601,692
% Ch	0.6%	1.5%	1.6%	2.0%	2.3%	2.5%	2.3%	2.1%	2.1%	1.9%	1.9%	1.9%
National (Thousands)	132,082	132,190	132,538	133,046	133,670	134,160	134,611	135,145	135,680	136,228	136,767	137,361
% Ch	0.0%	0.3%	1.1%	1.5%	1.9%	1.5%	1.4%	1.6%	1.6%	1.6%	1.6%	1.7%
GOODS PRODUCING SECTOR												
Idaho	113,922	113,905	114,031	114,410	114,856	115,312	115,552	115,623	115,812	116,061	116,417	116,851
% Ch	-3.1%	-0.1%	0.4%	1.3%	1.6%	1.6%	0.8%	0.2%	0.7%	0.9%	1.2%	1.5%
National (Thousands)	24,407	24,346	24,334	24,329	24,408	24,484	24,550	24,600	24,628	24,615	24,644	24,675
% Ch	-4.7%	-1.0%	-0.2%	-0.1%	1.3%	1.3%	1.1%	0.8%	0.5%	-0.2%	0.5%	0.5%
MANUFACTURING												
Idaho	75,189	75,394	75,857	76,435	77,034	77,657	78,077	78,318	78,614	78,860	79,163	79,467
% Ch	-3.1%	1.1%	2.5%	3.1%	3.2%	3.3%	2.2%	1.2%	1.5%	1.3%	1.5%	1.5%
National (Thousands)	17,152	17,124	17,100	17,115	17,193	17,290	17,366	17,403	17,412	17,397	17,426	17,438
% Ch	-5.0%	-0.7%	-0.6%	0.3%	1.9%	2.3%	1.8%	0.8%	0.2%	-0.3%	0.7%	0.3%
DURABLE MANUFACTURING												
Idaho	46,613	46,740	47,093	47,530	47,971	48,456	48,769	48,931	49,154	49,346	49,600	49,854
% Ch	-2.6%	1.1%	3.1%	3.8%	3.8%	4.1%	2.6%	1.3%	1.8%	1.6%	2.1%	2.1%
National (Thousands)	10,243	10,203	10,172	10,176	10,204	10,253	10,304	10,327	10,334	10,334	10,366	10,390
% Ch	-6.5%	-1.6%	-1.2%	0.2%	1.1%	1.9%	2.0%	0.9%	0.3%	0.0%	1.2%	0.9%
LUMBER & WOOD PRODUCTS												
Idaho	10,836	10,717	10,682	10,664	10,606	10,599	10,514	10,387	10,241	10,089	9,946	9,834
% Ch	-12.3%	-4.3%	-1.3%	-0.7%	-2.1%	-0.3%	-3.1%	-4.8%	-5.5%	-5.8%	-5.6%	-4.4%
National (Thousands)	788	795	807	822	843	860	874	884	891	895	900	903
% Ch	-2.9%	3.8%	6.1%	7.8%	10.3%	8.7%	6.3%	4.8%	3.3%	1.9%	1.9%	1.7%
STONE, CLAY, GLASS, etc.												
Idaho	4,188	4,099	4,040	3,993	3,968	3,950	3,937	3,915	3,886	3,854	3,827	3,803
% Ch	-6.2%	-8.2%	-5.6%	-4.5%	-2.5%	-1.8%	-1.4%	-2.1%	-2.9%	-3.3%	-2.8%	-2.6%
National (Thousands)	1,991	1,966	1,949	1,937	1,939	1,945	1,955	1,963	1,968	1,965	1,967	1,965
% Ch	-5.9%	-4.9%	-3.3%	-2.6%	0.5%	1.2%	2.1%	1.8%	0.9%	-0.5%	0.2%	-0.2%
ELEC & NONELEC MACH												
Idaho	25,514	25,786	26,139	26,497	26,982	27,363	27,728	28,108	28,535	28,944	29,358	29,793
% Ch	1.6%	4.3%	5.6%	5.6%	7.5%	5.8%	5.4%	5.6%	6.2%	5.9%	5.8%	6.1%
National (Thousands)	3,412	3,413	3,416	3,408	3,384	3,351	3,344	3,344	3,337	3,337	3,354	3,386
% Ch	-6.6%	0.1%	0.4%	-1.0%	-2.7%	-3.8%	-0.9%	0.0%	-0.8%	0.1%	2.0%	3.9%
OTHER DURABLES												
Idaho	6,075	6,139	6,232	6,375	6,414	6,544	6,590	6,520	6,492	6,458	6,469	6,425
% Ch	0.9%	4.3%	6.3%	9.5%	2.5%	8.4%	2.8%	-4.2%	-1.7%	-2.0%	0.7%	-2.7%
National (Thousands)	4,053	4,029	4,000	4,010	4,039	4,097	4,133	4,136	4,139	4,136	4,146	4,135
% Ch	-7.3%	-2.4%	-2.8%	1.0%	2.9%	5.9%	3.6%	0.4%	0.2%	-0.3%	1.0%	-1.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL OCTOBER 2001

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,127	28,948	29,017	28,862	29,021	29,265	29,248	29,482	29,283	29,197	28,879	28,858
% Ch	3.3%	-2.4%	1.0%	-2.1%	2.2%	3.4%	-0.2%	3.2%	-2.7%	-1.2%	-4.3%	-0.3%
National (Thousands)	7,503	7,450	7,416	7,403	7,383	7,363	7,317	7,262	7,199	7,104	7,003	6,956
% Ch	-1.9%	-2.8%	-1.8%	-0.7%	-1.1%	-1.1%	-2.5%	-3.0%	-3.5%	-5.2%	-5.6%	-2.7%
FOOD PROCESSING												
Idaho	17,465	17,268	17,291	17,139	17,156	17,305	17,299	17,247	17,250	17,312	17,119	17,220
% Ch	5.8%	-4.4%	0.5%	-3.5%	0.4%	3.5%	-0.1%	-1.2%	0.1%	1.5%	-4.4%	2.4%
National (Thousands)	1,684	1,680	1,676	1,693	1,691	1,689	1,680	1,680	1,686	1,686	1,677	1,674
% Ch	0.1%	-0.9%	-0.8%	4.0%	-0.5%	-0.4%	-2.3%	0.0%	1.4%	0.0%	-2.0%	-0.7%
CANNED, CURED, & FROZEN												
Idaho	10,100	9,917	10,021	9,792	9,739	9,799	9,854	9,683	9,456	9,561	9,469	9,537
% Ch	9.4%	-7.1%	4.3%	-8.8%	-2.1%	2.5%	2.3%	-6.8%	-9.0%	4.5%	-3.8%	2.9%
OTHER FOOD PROCESSING												
Idaho	7,365	7,351	7,270	7,347	7,417	7,506	7,445	7,565	7,794	7,752	7,650	7,683
% Ch	1.1%	-0.7%	-4.3%	4.3%	3.8%	4.9%	-3.2%	6.6%	12.7%	-2.1%	-5.1%	1.7%
PAPER, PRINTING, PUBLISH.												
Idaho	7,381	7,378	7,395	7,416	7,549	7,645	7,637	7,718	7,581	7,559	7,522	7,487
% Ch	-4.7%	-0.2%	0.9%	1.2%	7.4%	5.1%	-0.4%	4.3%	-6.9%	-1.1%	-2.0%	-1.8%
National (Thousands)	2,230	2,220	2,218	2,211	2,209	2,208	2,205	2,195	2,175	2,142	2,107	2,092
% Ch	-0.6%	-1.8%	-0.4%	-1.3%	-0.4%	-0.2%	-0.5%	-1.9%	-3.5%	-6.0%	-6.3%	-2.8%
CHEMICALS												
Idaho	2,331	2,312	2,296	2,268	2,299	2,316	2,311	2,404	2,379	2,288	2,189	2,108
% Ch	-1.7%	-3.3%	-2.8%	-4.8%	5.7%	2.9%	-0.8%	17.1%	-4.1%	-14.5%	-16.2%	-13.9%
National (Thousands)	1,038	1,035	1,033	1,036	1,038	1,038	1,036	1,038	1,039	1,034	1,030	1,025
% Ch	-1.7%	-1.3%	-0.6%	1.0%	0.9%	0.0%	-0.6%	0.8%	0.3%	-1.8%	-1.5%	-2.0%
OTHER NONDURABLES												
Idaho	1,951	1,990	2,036	2,038	2,016	1,999	2,000	2,113	2,074	2,038	2,049	2,043
% Ch	21.9%	8.4%	9.4%	0.6%	-4.3%	-3.3%	0.2%	24.5%	-7.0%	-6.8%	2.2%	-1.3%
National (Thousands)	2,551	2,515	2,488	2,463	2,445	2,428	2,396	2,350	2,299	2,242	2,188	2,164
% Ch	-4.5%	-5.5%	-4.2%	-4.0%	-2.8%	-2.8%	-5.1%	-7.6%	-8.4%	-9.6%	-9.2%	-4.4%
MINING												
Idaho	2,743	2,545	2,524	2,517	2,489	2,459	2,409	2,341	2,253	2,243	2,140	2,051
%Ch	-9.2%	-25.9%	-3.2%	-1.1%	-4.3%	-4.8%	-8.0%	-10.7%	-14.3%	-1.8%	-17.0%	-15.7%
National (Thousands)	552	538	532	533	535	541	544	549	554	563	566	551
%Ch	-14.1%	-10.2%	-3.9%	0.8%	1.0%	5.1%	2.0%	3.7%	3.7%	6.7%	2.2%	-10.2%
METAL MINING												
Idaho	1,572	1,418	1,368	1,351	1,337	1,263	1,180	1,114	1,028	1,058	1,026	976
%Ch	-12.6%	-33.9%	-13.2%	-4.9%	-4.2%	-20.3%	-23.8%	-20.5%	-27.5%	12.0%	-11.6%	-17.9%
OTHER MINING												
Idaho	1,171	1,127	1,156	1,166	1,153	1,196	1,229	1,227	1,224	1,185	1,115	1,074
% Ch	-4.4%	-14.2%	10.6%	3.6%	-4.4%	16.0%	11.3%	-0.6%	-0.8%	-12.3%	-21.6%	-13.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the **SECOND** Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL OCTOBER 2001

EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	28,577	28,654	28,764	28,905	29,063	29,201	29,308	29,387	29,460	29,514	29,563	29,612
% Ch	-3.8%	1.1%	1.5%	2.0%	2.2%	1.9%	1.5%	1.1%	1.0%	0.7%	0.7%	0.7%
National (Thousands)	6,909	6,921	6,928	6,938	6,989	7,037	7,062	7,076	7,078	7,064	7,060	7,048
% Ch	-2.6%	0.7%	0.4%	0.6%	2.9%	2.8%	1.4%	0.8%	0.1%	-0.8%	-0.2%	-0.7%
FOOD PROCESSING												
Idaho	17,292	17,368	17,424	17,458	17,482	17,479	17,454	17,416	17,391	17,375	17,372	17,378
% Ch	1.7%	1.8%	1.3%	0.8%	0.6%	-0.1%	-0.6%	-0.9%	-0.6%	-0.4%	-0.1%	0.1%
National (Thousands)	1,667	1,667	1,662	1,655	1,657	1,660	1,664	1,666	1,667	1,666	1,670	1,671
% Ch	-1.8%	0.0%	-1.2%	-1.5%	0.3%	0.8%	1.1%	0.5%	0.0%	0.0%	0.9%	0.3%
CANNED, CURED, & FROZEN												
Idaho	9,574	9,611	9,644	9,673	9,701	9,723	9,743	9,762	9,781	9,802	9,823	9,846
% Ch	1.5%	1.6%	1.4%	1.2%	1.1%	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%
OTHER FOOD PROCESSING												
Idaho	7,718	7,757	7,780	7,785	7,782	7,756	7,710	7,654	7,610	7,573	7,549	7,532
% Ch	1.9%	2.0%	1.1%	0.3%	-0.2%	-1.3%	-2.3%	-2.9%	-2.3%	-1.9%	-1.3%	-0.9%
PAPER, PRINTING, PUBLISH.												
Idaho	7,430	7,405	7,419	7,481	7,568	7,670	7,775	7,869	7,948	8,011	8,060	8,102
% Ch	-3.0%	-1.3%	0.7%	3.4%	4.7%	5.5%	5.6%	4.9%	4.1%	3.2%	2.4%	2.1%
National (Thousands)	2,072	2,063	2,050	2,045	2,055	2,070	2,084	2,097	2,104	2,106	2,109	2,107
% Ch	-3.7%	-1.8%	-2.4%	-1.1%	2.0%	3.0%	2.7%	2.5%	1.4%	0.4%	0.6%	-0.4%
CHEMICALS												
Idaho	1,801	1,807	1,819	1,834	1,851	1,861	1,868	1,869	1,862	1,848	1,830	1,810
% Ch	-46.8%	1.5%	2.6%	3.2%	3.9%	2.2%	1.4%	0.3%	-1.5%	-2.9%	-3.8%	-4.3%
National (Thousands)	1,016	1,014	1,013	1,015	1,023	1,033	1,041	1,045	1,048	1,048	1,048	1,047
% Ch	-3.7%	-0.6%	-0.3%	0.7%	3.3%	3.8%	3.0%	1.8%	1.0%	-0.1%	0.2%	-0.5%
OTHER NONDURABLES												
Idaho	2,054	2,073	2,102	2,132	2,162	2,190	2,212	2,234	2,259	2,280	2,301	2,322
% Ch	2.2%	3.8%	5.7%	5.9%	5.7%	5.2%	4.1%	4.1%	4.5%	3.8%	3.8%	3.8%
National (Thousands)	2,155	2,178	2,203	2,223	2,254	2,274	2,273	2,267	2,259	2,243	2,233	2,223
% Ch	-1.7%	4.3%	4.7%	3.8%	5.7%	3.6%	-0.1%	-1.0%	-1.3%	-2.8%	-1.9%	-1.8%
MINING												
Idaho	1,875	1,822	1,844	1,890	1,860	1,894	1,914	1,911	1,904	1,935	1,956	1,983
%Ch	-30.1%	-10.8%	4.9%	10.4%	-6.2%	7.5%	4.2%	-0.6%	-1.4%	6.5%	4.6%	5.6%
National (Thousands)	521	505	502	500	495	488	481	475	469	464	458	452
%Ch	-20.3%	-11.7%	-2.0%	-1.9%	-3.5%	-5.6%	-5.4%	-5.0%	-5.0%	-4.7%	-5.0%	-4.7%
METAL MINING												
Idaho	885	843	865	899	866	893	910	913	912	972	1,000	1,032
%Ch	-32.3%	-18.0%	10.8%	16.9%	-14.0%	13.0%	8.1%	1.1%	-0.4%	29.2%	12.1%	13.1%
OTHER MINING												
Idaho	990	980	980	991	995	1,002	1,004	998	993	963	956	951
% Ch	-28.0%	-4.0%	0.1%	4.8%	1.3%	2.9%	0.8%	-2.2%	-2.3%	-11.6%	-2.7%	-2.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the **SECOND** Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	33,923	34,512	35,113	35,859	36,528	36,436	36,393	36,421	38,021	36,929	37,033	37,003
% Ch	14.2%	7.1%	7.1%	8.8%	7.7%	-1.0%	-0.5%	0.3%	18.8%	-11.0%	1.1%	-0.3%
National (Thousands)	6,286	6,381	6,448	6,539	6,665	6,659	6,702	6,777	6,878	6,867	6,838	6,778
% Ch	6.4%	6.2%	4.2%	5.8%	7.9%	-0.4%	2.6%	4.6%	6.1%	-0.7%	-1.6%	-3.5%
SERVICE PRODUCING SECTOR												
Idaho	419,510	423,542	427,488	431,649	435,958	442,347	446,462	447,926	451,268	451,262	452,604	454,031
% Ch	3.2%	3.9%	3.8%	4.0%	4.1%	6.0%	3.8%	1.3%	3.0%	0.0%	1.2%	1.3%
National (Thousands)	102,300	103,022	103,713	104,539	105,280	106,143	106,195	106,560	106,938	107,171	107,336	107,393
% Ch	3.2%	2.9%	2.7%	3.2%	2.9%	3.3%	0.2%	1.4%	1.4%	0.9%	0.6%	0.2%
FINANCE, INSUR, REAL ESTATE												
Idaho	23,706	23,672	23,446	23,423	23,638	23,586	23,396	23,371	23,637	23,295	23,192	23,255
% Ch	7.3%	-0.6%	-3.8%	-0.4%	3.7%	-0.9%	-3.2%	-0.4%	4.6%	-5.7%	-1.7%	1.1%
National (Thousands)	7,520	7,552	7,572	7,576	7,572	7,550	7,547	7,575	7,607	7,634	7,649	7,683
% Ch	2.2%	1.7%	1.0%	0.2%	-0.2%	-1.2%	-0.1%	1.5%	1.7%	1.4%	0.8%	1.8%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	26,408	26,766	26,904	27,506	27,747	27,986	28,179	27,864	28,672	28,610	28,698	28,776
% Ch	6.7%	5.5%	2.1%	9.3%	3.5%	3.5%	2.8%	-4.4%	12.1%	-0.9%	1.2%	1.1%
National (Thousands)	6,755	6,805	6,860	6,915	6,964	7,003	7,020	7,092	7,119	7,121	7,115	7,125
% Ch	3.6%	3.0%	3.2%	3.2%	2.9%	2.2%	1.0%	4.2%	1.5%	0.1%	-0.4%	0.6%
TRADE												
Idaho	134,676	135,853	136,252	138,172	139,076	140,309	142,558	142,343	142,476	142,725	143,094	143,706
% Ch	3.3%	3.5%	1.2%	5.8%	2.6%	3.6%	6.6%	-0.6%	0.4%	0.7%	1.0%	1.7%
National (Thousands)	29,505	29,683	29,830	30,024	30,183	30,295	30,380	30,459	30,514	30,586	30,549	30,463
% Ch	2.9%	2.4%	2.0%	2.6%	2.1%	1.5%	1.1%	1.1%	0.7%	1.0%	-0.5%	-1.1%
SERVICES												
Idaho	132,704	134,510	137,045	138,701	141,001	143,937	146,259	148,795	148,466	149,775	150,350	150,677
% Ch	4.0%	5.6%	7.8%	4.9%	6.8%	8.6%	6.6%	7.1%	-0.9%	3.6%	1.5%	0.9%
National (Thousands)	38,465	38,854	39,213	39,661	40,033	40,359	40,615	40,838	41,026	41,053	41,119	41,187
% Ch	4.2%	4.1%	3.7%	4.7%	3.8%	3.3%	2.6%	2.2%	1.9%	0.3%	0.6%	0.7%
STATE & LOCAL GOVERNMENT												
Idaho	89,267	90,145	90,904	90,766	91,206	92,153	92,898	92,683	94,968	93,778	94,173	94,532
% Ch	0.6%	4.0%	3.4%	-0.6%	2.0%	4.2%	3.3%	-0.9%	10.2%	-4.9%	1.7%	1.5%
National (Thousands)	17,351	17,457	17,586	17,717	17,803	17,861	17,935	17,977	18,060	18,168	18,289	18,308
% Ch	2.4%	2.5%	3.0%	3.0%	2.0%	1.3%	1.7%	0.9%	1.9%	2.4%	2.7%	0.4%
Idaho Education	48,609	49,366	49,916	49,658	50,088	50,541	51,036	50,708	51,006	50,916	51,247	51,547
% Ch	-0.5%	6.4%	4.5%	-2.0%	3.5%	3.7%	4.0%	-2.5%	2.4%	-0.7%	2.6%	2.4%
Idaho Other	40,658	40,779	40,988	41,107	41,118	41,612	41,862	41,975	43,963	42,862	42,926	42,984
% Ch	2.0%	1.2%	2.1%	1.2%	0.1%	4.9%	2.4%	1.1%	20.3%	-9.6%	0.6%	0.5%
FEDERAL GOVERNMENT												
Idaho	12,749	12,595	12,937	13,081	13,289	14,376	13,173	12,869	13,048	13,078	13,098	13,086
% Ch	-1.8%	-4.8%	11.3%	4.6%	6.5%	37.0%	-29.5%	-8.9%	5.7%	0.9%	0.6%	-0.4%
National (Thousands)	2,704	2,670	2,652	2,646	2,725	3,076	2,699	2,618	2,614	2,609	2,616	2,627
% Ch	-1.1%	-5.0%	-2.6%	-0.9%	12.5%	62.2%	-40.7%	-11.4%	-0.7%	-0.7%	1.0%	1.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	36,858	36,688	36,330	36,085	35,962	35,760	35,561	35,394	35,294	35,266	35,298	35,402
% Ch	-1.6%	-1.8%	-3.9%	-2.7%	-1.4%	-2.2%	-2.2%	-1.9%	-1.1%	-0.3%	0.4%	1.2%
National (Thousands)	6,734	6,717	6,732	6,715	6,720	6,706	6,703	6,722	6,747	6,754	6,760	6,785
% Ch	-2.6%	-1.0%	0.9%	-1.0%	0.3%	-0.8%	-0.2%	1.2%	1.5%	0.4%	0.4%	1.5%
SERVICE PRODUCING SECTOR												
Idaho	455,768	457,864	460,076	462,535	465,390	468,548	471,645	474,567	477,402	479,950	482,401	484,841
% Ch	1.5%	1.9%	1.9%	2.2%	2.5%	2.7%	2.7%	2.5%	2.4%	2.2%	2.1%	2.0%
National (Thousands)	107,676	107,844	108,204	108,717	109,262	109,675	110,060	110,545	111,052	111,613	112,123	112,686
% Ch	1.1%	0.6%	1.3%	1.9%	2.0%	1.5%	1.4%	1.8%	1.8%	2.0%	1.8%	2.0%
FINANCE, INSUR, REAL ESTATE												
Idaho	23,326	23,369	23,420	23,464	23,517	23,579	23,637	23,700	23,780	23,871	23,954	24,033
% Ch	1.2%	0.7%	0.9%	0.8%	0.9%	1.1%	1.0%	1.1%	1.4%	1.5%	1.4%	1.3%
National (Thousands)	7,702	7,674	7,665	7,678	7,690	7,709	7,737	7,777	7,814	7,853	7,886	7,914
% Ch	1.0%	-1.4%	-0.5%	0.7%	0.6%	1.0%	1.4%	2.1%	1.9%	2.1%	1.7%	1.4%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	28,854	28,927	29,010	29,087	29,188	29,286	29,380	29,472	29,562	29,655	29,750	29,846
% Ch	1.1%	1.0%	1.2%	1.1%	1.4%	1.3%	1.3%	1.3%	1.2%	1.3%	1.3%	1.3%
National (Thousands)	7,125	7,124	7,133	7,128	7,138	7,155	7,192	7,239	7,279	7,317	7,352	7,391
% Ch	0.0%	-0.1%	0.5%	-0.3%	0.6%	1.0%	2.1%	2.7%	2.2%	2.1%	1.9%	2.1%
TRADE												
Idaho	144,411	145,274	146,235	147,314	148,501	149,792	151,066	152,276	153,420	154,428	155,400	156,373
% Ch	2.0%	2.4%	2.7%	3.0%	3.3%	3.5%	3.4%	3.2%	3.0%	2.7%	2.5%	2.5%
National (Thousands)	30,416	30,422	30,494	30,584	30,687	30,791	30,838	30,951	31,088	31,257	31,377	31,495
% Ch	-0.6%	0.1%	0.9%	1.2%	1.3%	1.4%	0.6%	1.5%	1.8%	2.2%	1.5%	1.5%
SERVICES												
Idaho	151,289	152,128	153,059	154,160	155,512	157,005	158,472	159,848	161,128	162,213	163,245	164,277
% Ch	1.6%	2.2%	2.5%	2.9%	3.6%	3.9%	3.8%	3.5%	3.2%	2.7%	2.6%	2.6%
National (Thousands)	41,462	41,618	41,873	42,251	42,635	42,872	43,108	43,353	43,606	43,880	44,163	44,502
% Ch	2.7%	1.5%	2.5%	3.7%	3.7%	2.2%	2.2%	2.3%	2.4%	2.5%	2.6%	3.1%
STATE & LOCAL GOVERNMENT												
Idaho	94,798	95,009	95,202	95,379	95,575	95,799	96,027	96,254	96,504	96,800	97,093	97,378
% Ch	1.1%	0.9%	0.8%	0.7%	0.8%	0.9%	1.0%	0.9%	1.0%	1.2%	1.2%	1.2%
National (Thousands)	18,339	18,365	18,396	18,429	18,466	18,501	18,537	18,576	18,616	18,654	18,693	18,731
% Ch	0.7%	0.6%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%
Idaho Education	51,763	51,932	52,071	52,199	52,346	52,520	52,705	52,891	53,099	53,351	53,603	53,848
% Ch	1.7%	1.3%	1.1%	1.0%	1.1%	1.3%	1.4%	1.4%	1.6%	1.9%	1.9%	1.8%
Idaho Other	43,036	43,078	43,131	43,180	43,229	43,279	43,322	43,364	43,406	43,449	43,490	43,529
% Ch	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
FEDERAL GOVERNMENT												
Idaho	13,089	13,156	13,151	13,132	13,097	13,086	13,063	13,018	13,007	12,983	12,959	12,935
% Ch	0.1%	2.1%	-0.1%	-0.6%	-1.1%	-0.3%	-0.7%	-1.4%	-0.4%	-0.7%	-0.7%	-0.8%
National (Thousands)	2,632	2,642	2,644	2,646	2,647	2,648	2,648	2,649	2,650	2,651	2,652	2,653
% Ch	0.8%	1.5%	0.4%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

MISCELLANEOUS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,020.5	1,015.4	1,058.2	1,085.6	1,078.6	1,110.6	1,140.9	1,139.4	1,201.1	1,277.0	1,279.5	1,298.2
% Ch	11.3%	-2.0%	18.0%	10.8%	-2.6%	12.4%	11.4%	-0.5%	23.5%	27.8%	0.8%	6.0%
National (Billions)	225.5	223.8	233.4	239.3	237.2	244.2	250.9	250.1	264.0	281.2	281.5	285.5
% Ch	11.2%	-3.0%	18.3%	10.5%	-3.5%	12.3%	11.4%	-1.3%	24.2%	28.7%	0.4%	5.9%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	104.1	104.4	104.8	105.3	106.2	106.8	107.3	107.8	108.7	109.3	109.6	110.2
% Ch	1.7%	1.4%	1.4%	1.8%	3.8%	2.1%	1.9%	1.8%	3.3%	2.2%	1.2%	2.2%
Consumption Expenditures	103.9	104.4	105.0	105.6	106.7	107.2	107.8	108.4	109.2	109.7	109.9	110.5
% Ch	1.3%	2.0%	2.2%	2.4%	4.0%	2.1%	2.4%	2.0%	3.2%	1.6%	0.8%	2.2%
Durable Goods	93.7	93.2	92.8	92.4	92.0	91.8	91.3	91.0	90.9	90.0	89.8	89.6
% Ch	-3.3%	-2.0%	-1.8%	-1.8%	-1.8%	-0.8%	-2.2%	-1.2%	-0.7%	-3.5%	-1.3%	-0.8%
Nondurable Goods	102.2	103.3	104.1	105.1	106.5	107.2	108.0	108.5	109.0	109.7	109.2	109.7
% Ch	1.9%	4.4%	3.3%	3.8%	5.5%	2.7%	2.7%	2.0%	1.9%	2.7%	-1.8%	1.5%
Services	106.9	107.4	108.1	108.8	110.0	110.6	111.5	112.2	113.5	114.1	114.8	115.7
% Ch	2.0%	1.7%	2.5%	2.6%	4.5%	2.4%	3.2%	2.6%	4.7%	2.1%	2.6%	3.1%
Cons. Price Index (1982-84)	164.9	166.0	167.2	168.5	170.3	171.5	173.0	174.3	176.1	177.4	177.9	179.0
% Ch	1.6%	2.9%	2.8%	3.2%	4.2%	3.0%	3.5%	2.9%	4.2%	3.1%	1.2%	2.5%
SELECTED INTEREST RATES												
Federal Funds	4.72%	4.75%	5.08%	5.32%	5.62%	6.26%	6.53%	6.51%	5.59%	4.38%	3.61%	2.50%
Prime	7.75%	7.75%	8.10%	8.37%	8.69%	9.25%	9.50%	9.50%	8.62%	7.34%	6.61%	5.50%
Existing Home Mortgage	6.95%	7.13%	7.58%	7.66%	8.02%	8.19%	8.10%	7.81%	7.21%	7.15%	7.30%	7.10%
U.S. Govt. 3-Month Bills	4.41%	4.45%	4.65%	5.04%	5.52%	5.71%	6.02%	6.02%	4.82%	3.66%	3.44%	2.62%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	111.0	111.4	110.3	110.5	110.7	108.8	105.9	102.4	99.2	101.7	99.7	98.4
% Ch	3.7%	1.5%	-3.9%	0.9%	0.8%	-6.7%	-10.5%	-12.4%	-12.0%	10.7%	-7.8%	-4.9%
Office & Computer Equip.	265.8	297.1	328.6	349.8	394.3	423.4	470.1	496.8	492.5	481.4	470.4	474.1
% Ch	88.8%	56.1%	49.6%	28.5%	61.4%	33.0%	51.9%	24.8%	-3.5%	-8.7%	-8.9%	3.2%
Electrical Machinery	176.2	187.7	199.1	210.3	230.7	259.0	281.3	292.4	287.0	272.3	260.5	262.4
% Ch	21.0%	29.0%	26.5%	24.5%	44.9%	58.8%	39.1%	16.7%	-7.1%	-19.0%	-16.2%	2.9%
Electronic Components	262.3	294.8	325.5	363.6	431.0	522.9	593.1	624.1	610.3	566.0	537.4	541.4
% Ch	27.0%	59.7%	48.5%	55.8%	97.4%	116.7%	65.5%	22.6%	-8.6%	-26.0%	-18.8%	3.1%
Food	106.5	106.8	106.6	107.3	108.3	108.8	109.1	108.8	108.8	108.5	107.6	107.5
% Ch	0.6%	0.8%	-0.6%	2.6%	3.8%	1.7%	1.1%	-0.8%	-0.3%	-1.1%	-3.2%	-0.3%
Paper	109.2	108.2	109.1	110.6	109.6	109.9	106.3	107.1	103.3	103.6	101.3	102.2
% Ch	7.2%	-3.9%	3.5%	5.4%	-3.4%	1.2%	-12.7%	3.2%	-13.4%	1.2%	-8.5%	3.6%
Agricultural Chemicals	104.6	104.9	104.2	104.6	101.9	99.6	96.3	97.1	92.4	87.7	85.3	89.0
% Ch	-1.7%	1.2%	-2.9%	1.7%	-10.1%	-8.6%	-12.6%	3.2%	-17.9%	-18.7%	-10.5%	18.2%
Metals & Minerals Mining	106.3	104.2	101.3	104.1	106.8	104.4	102.3	101.4	101.3	102.4	100.9	99.3
% Ch	-2.1%	-7.6%	-10.7%	11.4%	11.0%	-8.7%	-7.8%	-3.7%	-0.4%	4.3%	-5.6%	-6.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the SECOND Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2001

MISCELLANEOUS

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,314.9	1,331.3	1,350.7	1,371.2	1,392.7	1,413.5	1,434.6	1,455.9	1,477.8	1,500.0	1,521.7	1,543.7
% Ch	5.2%	5.1%	6.0%	6.2%	6.4%	6.1%	6.1%	6.1%	6.1%	6.2%	5.9%	5.9%
National (Billions)	289.2	292.9	297.1	301.6	306.4	311.0	315.7	320.5	325.4	330.4	335.2	340.1
% Ch	5.2%	5.2%	5.9%	6.2%	6.5%	6.1%	6.2%	6.2%	6.3%	6.2%	6.0%	6.0%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	110.8	111.4	112.0	112.6	113.3	113.9	114.6	115.3	115.9	116.5	117.1	117.8
% Ch	2.4%	2.2%	2.1%	2.2%	2.5%	2.2%	2.4%	2.3%	2.4%	2.0%	2.1%	2.2%
Consumption Expenditures	111.1	111.7	112.2	112.8	113.5	114.1	114.8	115.5	116.2	116.8	117.5	118.1
% Ch	2.2%	2.1%	2.1%	2.2%	2.3%	2.3%	2.5%	2.4%	2.3%	2.2%	2.3%	2.3%
Durable Goods	89.5	89.3	89.2	89.1	89.1	89.1	89.1	89.2	89.2	89.2	89.1	89.1
% Ch	-0.5%	-0.6%	-0.5%	-0.4%	-0.1%	0.0%	0.1%	0.1%	0.0%	-0.1%	-0.1%	-0.1%
Nondurable Goods	110.1	110.5	110.8	111.2	111.7	112.1	112.6	113.2	113.6	114.0	114.5	115.0
% Ch	1.5%	1.5%	1.3%	1.5%	1.7%	1.6%	1.9%	1.8%	1.6%	1.5%	1.6%	1.7%
Services	116.6	117.4	118.3	119.2	120.1	121.0	122.0	123.0	123.9	124.8	125.7	126.6
% Ch	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	3.2%	3.2%	3.0%	3.0%	3.0%	3.0%
Cons. Price Index (1982-84)	180.1	181.2	182.2	183.2	184.4	185.5	186.7	187.9	189.0	190.2	191.3	192.5
% Ch	2.4%	2.3%	2.2%	2.4%	2.5%	2.5%	2.6%	2.6%	2.5%	2.4%	2.5%	2.5%
SELECTED INTEREST RATES												
Federal Funds	2.50%	2.80%	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%	5.00%	5.00%	5.00%	5.00%
Prime	5.50%	5.80%	6.25%	6.50%	6.75%	7.25%	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%
Existing Home Mortgage	7.15%	7.24%	7.45%	7.62%	7.69%	7.89%	8.19%	8.39%	8.42%	8.34%	8.30%	8.26%
U.S. Govt. 3-Month Bills	2.66%	2.97%	3.42%	3.65%	3.83%	4.19%	4.55%	4.70%	4.68%	4.67%	4.66%	4.67%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	98.2	99.8	101.7	103.5	105.4	106.3	106.7	106.8	106.8	106.7	106.8	107.1
% Ch	-1.1%	6.6%	7.9%	7.2%	7.9%	3.4%	1.2%	0.6%	0.0%	-0.4%	0.3%	1.1%
Office & Computer Equip.	487.9	507.7	534.7	562.2	597.2	628.4	657.5	688.4	720.6	751.1	781.2	812.8
% Ch	12.2%	17.3%	23.0%	22.2%	27.3%	22.6%	19.9%	20.1%	20.1%	18.1%	17.0%	17.1%
Electrical Machinery	265.7	275.0	285.6	295.8	308.1	318.5	328.9	338.8	349.9	360.8	372.1	383.7
% Ch	5.0%	14.8%	16.4%	15.1%	17.7%	14.2%	13.7%	12.6%	13.8%	13.1%	13.1%	13.0%
Electronic Components	547.5	566.9	588.3	609.8	636.0	656.3	676.8	697.5	722.1	746.4	771.6	797.8
% Ch	4.6%	14.9%	16.0%	15.5%	18.3%	13.4%	13.1%	12.8%	14.9%	14.2%	14.2%	14.3%
Food	108.3	109.1	109.8	110.3	110.7	110.9	111.0	110.9	110.9	111.0	111.3	111.6
% Ch	3.0%	3.1%	2.5%	1.9%	1.6%	0.8%	0.1%	-0.3%	0.1%	0.4%	0.8%	1.1%
Paper	103.0	104.6	106.3	107.7	109.1	110.3	111.0	111.5	112.0	112.4	112.9	113.3
% Ch	3.2%	6.4%	6.3%	5.7%	5.1%	4.7%	2.5%	1.6%	1.7%	1.7%	1.7%	1.6%
Agricultural Chemicals	91.3	94.4	97.1	99.2	101.1	102.8	104.0	104.6	105.0	105.2	105.3	105.8
% Ch	11.0%	13.9%	12.0%	9.2%	7.6%	6.9%	4.8%	2.6%	1.5%	0.7%	0.5%	1.7%
Metals & Minerals Mining	98.2	97.7	97.5	97.3	97.2	97.3	97.2	97.3	97.4	97.7	98.0	98.4
% Ch	-4.6%	-1.9%	-0.9%	-1.1%	-0.2%	0.4%	-0.2%	0.1%	0.7%	0.9%	1.5%	1.8%

National Variables Forecast by DRI*WEFA
Forecast Begins the **SECOND** Quarter of 2001

APPENDIX

DRI*WEFA Macro Model.....	Page 62
Idaho Economic Model	Page 64
Equations	Page 66
Endogenous Variables	Page 70
Exogenous Variables	Page 72

THE DRI*WEFA U.S. MACROECONOMIC MODEL

DRI*WEFA Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI*WEFA model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI*WEFA divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The DRI*WEFA model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI*WEFA U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors' income} \\ & + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI*WEFA's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI*WEFA model, an understanding of the DRI*WEFA model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI*WEFA model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

ID0AHEMF	$ID0AHEMF = 3.19393 + 7.69355 * ID0NEWMF \backslash 1 / ID0NEWMF \backslash 1 * JRWSSNF + 8.96177 * ID0NEWMF \backslash 1 / ID0NEWMF \backslash 1 * JRWSSNF$
ID0AVGW\$	$ID0AVGW\$ = ((ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / ID0NEW) * 1000$
ID0CRCROP	$ID0CRCROP = -1.35346 + 0.0106674 * CRCROP + 1.90896 * WPI01$
ID0CRLVSTK	$ID0CRLVSTK = -1.06514 + 0.0247539 * CRCATCVS + 1.54401 * WPI01$
ID0EXFP	$ID0EXFP = -0.865627 + 3.44748 * WPI01$
ID0GIA\$	$ID0GIA\$ = 94.1811 + 926.890 * VAIDGF @ SL * ID0NPT / N$
ID0HSPR	$ID0HSPR = ID0HSPRS1 @ A + ID0HSPRS2A @ A$
ID0HSPRS1@A	$ID0HSPRS1 @ A = -11.0936 - 0.375505 * (RM MTGENS - MOVAVG(5 TO 1, RM MTGENS)) + 107.354 * (MOVAVG(4 TO 1, ID0NPT) - MOVAVG(8 TO 5, ID0NPT)) + 0.0433369 * ID0KHU \backslash 1$
ID0HSPRS2A@A	$ID0HSPRS2A @ A = 9.07829 + 47.3557 * (MOVAVG(4 TO 1, ID0NPT) - MOVAVG(8 TO 5, ID0NPT)) - 0.318939 * MOVAVG(3 TO 0, RM MTGENS) - 0.0313305 * TIME$
ID0IPMFDNEC	$ID0IPMFDNEC = 13.0 * JQIND25 * 100 / 81.2 + 52.5 * JQIND37 * 100 / 81.2 + 15.7 * JQIND39 * 100 / 81.2$
ID0IP26&27	$ID0IP26 \& 27 = 252.3 * JQIND26 * 100 / 498.1 + 245.8 * JQIND27 * 100 / 498.1$
ID0IP32&34	$ID0IP32 \& 34 = 58.8 * JQIND32 * 100 / 206.9 + 148.1 * JQIND34 * 100 / 206.9$
ID0KHU	$ID0KHU = ID0KHU1 + ID0KHU2A$
ID0KHU1	$ID0KHU1 = ((1 - 0.003) ** .25) * ID0KHU1 \backslash 1 + ID0HSPRS1 @ A / 4$
ID0KHU2A	$ID0KHU2A = ((1 - 0.003) ** .25) * ID0KHU2A \backslash 1 + ID0HSPRS2A @ A / 4$
ID0NB	$ID0NB = 4.17447 + 37.0392 * ID0NPT - 0.148243 * TIME$
ID0ND	$ID0ND = -0.112418 + 5.90346 * ID0NPT + 0.00965366 * TIME$
ID0NEW	$ID0NEW = ID0NEWMF + ID0NEWNM$
ID0NEWCC	$ID0NEWCC = -14.7580 + 0.0226624 * ID0HSPRS1 @ A + 0.133843 * ID0HSPRS1 @ A \backslash 1 + 0.245024 * ID0HSPRS1 @ A \backslash 2 + 0.356205 * ID0HSPRS1 @ A \backslash 3 + 0.467386 * ID0HSPRS1 @ A \backslash 4 + 0.578567 * ID0HSPRS1 @ A \backslash 5 + 0.152184 * TIME$
ID0NEWFIR	$ID0NEWFIR = -2.60082 + 0.155699 * MOVAVG(1 TO 0, ID0HSPR) + 25.7965 * ID0NPT - 4.46584 * DUM861ON - 3.29976 * DUM981ON$

ID0NEWGOOD	$ID0NEWGOOD = ID0NEWMF + ID0NEWMG + ID0NEWCC$
ID0NEWGV	$ID0NEWGV = ID0NEWGVF + ID0NEWGVSL$
ID0NEWGVF	$ID0NEWGVF = -2.08899 + 1027.77 * EGF * (ID0NPT/N) + 3.84519 * EGF * (GFO96C/GF96C) - 0.00488090 * TIME$
ID0NEWGVSL	$ID0NEWGVSL = ID0NEWGVSLED + ID0NEWGVSL@ED$
ID0NEWGVSL@ED	$ID0NEWGVSL@ED = -15.9508 + 23.6040 * ID0NPT + 0.129824 * TIME$
ID0NEWGVSLED	$ID0NEWGVSLED = -12.8802 + 68.8436 * (ID0NPT * ((N - N16A)/N)) + 0.591340 * MOVAVG(8 \text{ TO } 4, ID0YPTXB) + 0.143778 * TIME$
ID0NEWMF	$ID0NEWMF = ID0NEWMFD + ID0NEWMFN$
ID0NEWMFD	$ID0NEWMFD = ID0NEW24 + ID0NEW32\&34 + ID0NEW35\&36 + ID0NEWMFDNEC$
ID0NEWMFDNEC	$ID0NEWMFDNEC = -3.95549 + 0.0826892 * ID0IPMFDNEC$
ID0NEWMFN	$ID0NEWMFN = ID0NEW20 + ID0NEW26\&27 + ID0NEW28 + ID0NEWMFNNEC$
ID0NEWMFNNEC	$ID0NEWMFNNEC = 0.849570 + 0.00211766 * (CNCS96C + CNOTH96C) - 0.0879622 * DUM87ON$
ID0NEWMG	$ID0NEWMG = ID0NEWMG@10 + ID0NEW10$
ID0NEWMG@10	$ID0NEWMG@10 = 3.09105 + 0.704626 * MOVAVG(2 \text{ TO } 0, JQIND287) + 0.0491068 * ID0HSPR + 0.0115591 * JQIND333@9 * TIME - 0.504755 * JQIND33/EMI - 0.914095 * JRWSSNF/WPI10 - 0.0189619 * TIME$
ID0NEWNGOOD	$ID0NEWNGOOD = ID0NEWNM - ID0NEWMG - ID0NEWCC$
ID0NEWNM	$ID0NEWNM = ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG$
ID0NEWSV	$ID0NEWSV = -37.4199 + 6.34223 * MOVAVG(3 \text{ TO } 0, YPADJ@ID)/MOVAVG(3 \text{ TO } 0, PCWC) + 0.0132715 * TIME$
ID0NEWTCU	$ID0NEWTCU = -12.2842 + 0.0944643 * ID0KHU\1$
ID0NEWWR	$ID0NEWWR = 0.176466 + 4.39910 * MOVAVG(3 \text{ TO } 0, YPADJ@ID)/MOVAVG(3 \text{ TO } 0, PCWC) + 0.0929980 * TIME$
ID0NEW10	$ID0NEW10 = 2.98222 + 5.99278 * JQIND333@9 - 1.51098 * JQIND33/EMI - 5.50648 * JRWSSNF/WPI10$
ID0NEW20	$ID0NEW20 = ID0NEW20@203 + ID0NEW203$
ID0NEW20@203	$ID0NEW20@203 = -3.82583 + 10.4523 * JQIND20$

ID0NEW203	$ID0NEW203 = 6.74796 + 21.7330 * JQIND201 @ 7A9 - 0.0890651 * JQIND201 @ 7A9 * TIME$
ID0NEW24	$ID0NEW24 = 21.4669 + 8.15486 * MOVAVG(1 \text{ TO } 0, JQIND24) - 13.4141 * JRWSSNF / WPI08 - 0.165282 * DUM821ON - 0.0337159 * TIME$
ID0NEW26&27	$ID0NEW26\&27 = -1.11429 + 0.0827069 * MOVAVG(4 \text{ TO } 1, ID0IP26\&27)$
ID0NEW28	$ID0NEW28 = -0.308534 + 1.63982 * MOVAVG(2 \text{ TO } 1, JQIND287) + 0.944310 * DUM841ON - 1.92169 * DUM951ON + 0.00948377 * TIME$
ID0NEW32&34	$ID0NEW32\&34 = -1.32108 + 0.0239417 * MOVAVG(1 \text{ TO } 0, ID0IP32\&34) - 1.65833 * JQIND34 / E34 + 0.0585048 * ((ID0NEW20 \setminus 1 + ID0NEW24 \setminus 1 + ID0NEWMG \setminus 1 + ID0NEWCC \setminus 1 + ID0NEW26\&27 \setminus 1))$
ID0NEW35	$ID0NEW35 = -5.09398 + 0.884959 * JQIND357 - 1.38600 * DUM861884 + 0.0708939 * TIME$
ID0NEW35&36	$ID0NEW35\&36 = ID0NEW35 + ID0NEW36$
ID0NEW36	$ID0NEW36 = -14.4003 + 0.866489 * JQIND367 - 0.502691 * DUM801884 + 0.115231 * TIME$
ID0NMG	$ID0NMG = 4 * (ID0NPT - ID0NPT \setminus 1) - (ID0NB - ID0ND) / 1000$
ID0NPT	$ID0NPT = -0.0806903 + 1.01179 * ID0NPT \setminus 1 + 0.0718965 * (ID0NEW \setminus 1 / ID0NEW \setminus 5) / (EEA \setminus 1 / EEA \setminus 5)$
ID0WBB\$	$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$
ID0WBBCC\$	$ID0WBBCC\$ = (ID0WRWCC\$ * ID0NEWCC) / 1000000$
ID0WBBF\$	$ID0WBBF\$ = -0.455862 + 0.562438 * WPI02$
ID0WBBMF\$	$ID0WBBMF\$ = (ID0WRWMF\$ * ID0NEWMF) / 1000000$
ID0WBBMIL\$	$ID0WBBMIL\$ = 0.0229314 + 0.254732 * (ID0NPT / N) * GFMLWSS @ FAC$
ID0WBBOTH\$	$ID0WBBOTH\$ = ID0WRWOTH\$ * (ID0NEW - ID0NEWCC - ID0NEWMF) / 1000000$
ID0WRWCC\$	$ID0WRWCC\$ = 8049.05 + 1594.79 * ID0AHEMF$
ID0WRWMF\$	$ID0WRWMF\$ = -16593.9 + 4012.08 * ID0AHEMF$
ID0WRWOTH\$	$ID0WRWOTH\$ = -5858.17 + 2285.45 * ID0AHEMF$
ID0YDIR\$	$ID0YDIR\$ = 0.0155789 + 1.01049 * ((YINTPER + DIV + YRENTADJ) * MOVAVG(4 \text{ TO } 1, ID0YP\$) / MOVAVG(4 \text{ TO } 1, YP))$
ID0YFC\$	$ID0YFC\$ = -0.130950 + 0.796230 * ID0YFC\$ \setminus 1 + 0.136478 * WPI01$
ID0YINV&R\$	$ID0YINV\&R\$ = -0.0979167 + 0.778350 * ID0YINV\&R\$ \setminus 1 + 0.144398 * WPI01$

ID0YP	$ID0YP = ID0YP\$ / PCWC$
ID0YP\$	$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS$
ID0YPNF	$ID0YPNF = ID0YPNF\$ / PCWC$
ID0YPNF\$	$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$
ID0YPNFPC	$ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$
ID0YPRF\$	$ID0YPRF\$ = 0.324904 + 318.083 * (((ID0CRCROP + ID0CRLVSTK + ID0YTRF\$ + ID0YINV\&R\$ - ID0YFC\$ - ID0EXFP) / 1000))$
ID0YPRNF\$	$ID0YPRNF\$ = 0.0589539 + 0.00439489 * YENTNFADJ$
ID0YPTXB	$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\&R\$ / 1000)) / PCWC$
ID0YRA\$	$ID0YRA\$ = -0.0788550 + 0.0286091 * ID0WBB\$$
ID0YSIS\$	$ID0YSIS\$ = 0.0190263 + 1.02479 * TWPER * ID0WBB\$ / WSD$
ID0YSUP\$	$ID0YSUP\$ = -0.0873360 + 1.08920 * YOL * (ID0WBB\$ / WSD)$
ID0YTR\$	$ID0YTR\$ = 0.118262 + 0.778277 * ((VGF@PER + VGSL@PER) * (ID0NPT / N))$
ID0YTRF\$	$ID0YTRF\$ = 0.0274039 + 0.0108438 * TRF\$$
YPADJ@ID	$YPADJ@ID = ID0YPNF\$ + MOVAVG(3 \text{ TO } 0, ID0YPRF\$) + MOVAVG(3 \text{ TO } 0, ID0WBBF\$)$

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW\$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA\$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1@A	Adjusted housing starts, single units
ID0HSPRS2A@A	Adjusted housing starts, multiple units
ID0IP26&27	Industrial production index, paper, printing, and publishing, 1992=1.0
ID0IP32&34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1992=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1992=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20@203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26&27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32&34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL@ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG@10	Employment in mining, except metal mining
ID0NEWNGOOD	Employment in service-producing sectors

ID0NEWNM	Employment in nonmanufacturing
ID0NEWSV	Employment in services
ID0NEWTCTU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV&R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1992 dollars
ID0YP\$	Total personal income
ID0YPNF	Nonfarm personal income, 1992 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1992 dollars
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1992 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSIS\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ@ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNFOOD96C	Personal consumption expenditures, food, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
DUM821ON	
DUM841ON	
DUM861ON	
DUM861884	
DUM871ON	
DUM951ON	
DUM981ON	
TIME	
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS@FAC	Federal government consumption of general government employment
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
JQIND20	Industrial production index, food products, 1996=1.0
JQIND201@7A9	Industrial production index, food except beverages, 1996=1.0
JQIND24	Industrial production index, wood and lumber products, 1996=1.0
JQIND25	Industrial production index, furniture and fixtures, 1996=1.0
JQIND26	Industrial production index, paper and paper products, 1996=1.0
JQIND27	Industrial production index, printing and publishing, 1996=1.0
JQIND287	Industrial production index, agricultural chemicals, 1996=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1996=1.0

JQIND33	Industrial production index, primary metals, 1996=1.0
JQIND333@9	Industrial production index, nonferrous metals, 1996=1.0
JQIND34	Industrial production index, fabricated metal products, 1996=1.0
JQIND357	Industrial production index, office and computing equipment, 1996=1.0
JQIND367	Industrial production index, electric components, 1996=1.0
JQIND37	Industrial production index, transportation equipment, 1996=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1996=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders
TRF\$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF@SL	Federal grants-in-aid to state and local governments
VGf@PER	Federal transfer payments to persons, U.S.
VGSL@PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment

**Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032**

**PRSRT STD
U.S. POSTAGE
P A I D
PERMIT NO. 1
BOISE, ID**

RETURN SERVICE REQUESTED